

The Treasury

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0219.04: COVID-19: Response and Recovery Fund Foundation Package: Vote Business, Science and Innovation**

Date: **11 May 2020**

Creator: Cabinet Office

Information Withheld

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Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to 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
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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Cabinet

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.

COVID-19: Response and Recovery Fund Foundation Package: Vote Business, Science and Innovation

On 11 May 2020, Cabinet:

- 1 **approved** the initiatives in the attached initiative documents, for the above Vote, for inclusion in the COVID-19 Response and Recovery Fund foundation package;
- 2 **agreed** to establish new appropriations where required to implement the attached initiatives;
- 3 **approved** changes to appropriations and/or capital injections to the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations and/or capital injections for 2019/20 be included in the Addition to the 2019/20 Supplementary Estimates, and the changes to appropriations and/or capital injections for 2020/21 be included in the 2020/21 Supplementary Estimates, and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the Addition to the 2019/20 Supplementary Estimates;
- 7 **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 an in-confidence-until-announcement basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **agreed** that any and all underspends relating to the initiatives agreed in this package be returned to the Centre;
- 9 **noted** that all communications relating to the COVID-19 Response and Recovery Fund and any requests for early announcement must have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

- 10 **agreed** that the initiatives in the following table be set aside as contingency items, that corresponding funding for them be charged against the COVID-19 Response and Recovery Fund, and that they be submitted to Cabinet for consideration at a later stage;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
New Zealand's Economic Recovery: Revitalising the International Business Sector	-	-	-	54.000	54.000
Supporting Small Businesses into Digital-Commerce	-	10.000	-	-	-
Tourism Sector Recovery Fund	50.000	250.000	65.000	35.000	-
Total Operating	50.000	260.000	65.000	89.000	54.000

Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
AgResearch Lincoln Facility Development	-	29.000	11.000	5.000	-
COVID-19: Infrastructure Investment	-	1000.000	1000.000	1000.000	-
He Poutama Rangatahi	-	0.400	-	-	-
Total Capital	-	1,029.400	1,011.000	1,005.000	-

New Zealand's Economic Recovery: Revitalising the International Business Sector

- 11 **agreed** that the purpose of the tagged contingency 'New Zealand's Economic Recovery: Revitalising the International Business Sector' is to provide continued funding for New Zealand Trade and Enterprise (NZTE) to increase the scale, intensity and reach of NZTE's support services for exporters, consistent with the policy of Initiative 12765;
- 12 **authorised** the Minister of Finance and the Minister for Trade and Export Growth (joint Ministers) to draw down from the tagged contingency 'New Zealand's Economic Recovery: Revitalising the International Business Sector' following a report-back with information on:
- 12.1 a review of the needs of the export sector and market conditions;
 - 12.2 how this continued funding will contribute to the government's wider economic recovery response;
 - 12.3 how the initial funding deployed in Initiative 12765 has been utilised and its impact;
 - 12.4 how the performance of this continued funding will be monitored and evaluated.
- 13 **agreed** that the expiry date for tagged contingency 'New Zealand's Economic Recovery: Revitalising the International Business Sector' be 30 June 2021;

Supporting Small Businesses into Digital-Commerce

- 14 **agreed** that the purpose of the tagged contingency ‘Supporting Small Businesses into Digital-Commerce’ is to support small businesses to move into digital-commerce and support their longer-term business transformation;
- 15 **authorised** the Minister of Finance and the Minister for Small Business (joint Ministers) to draw down from the tagged contingency ‘Supporting Small Businesses into Digital-Commerce’ following a report-back on what initiatives will be funded by the contingency and a breakdown of costs;
- 16 **agreed** that the expiry date for the tagged contingency ‘Supporting Small Businesses into Digital-Commerce’ be 30 June 2021;

Tourism Sector Recovery Fund

- 17 **noted** that the tagged contingency ‘Tourism Sector Recovery Fund’ has been set aside for the purpose of cushioning the impact of COVID-19 on the tourism sector, and to position the sector for recovery, including through measures which:
- 17.1 are swift and simple to administer;
 - 17.2 aim to minimise economic scarring effects;
 - 17.3 include short-term liquidity and solvency support for firms where it is evident that existing solutions are deficient;
 - 17.4 support the just transition of the sector to become more productive, sustainable and inclusive in the long term, including through Active Labour Market Policies;
- 18 **noted** that this is a joint initiative between the Minister of Finance and the Minister for Tourism;
- 19 **directed** the Ministry for Business, Innovation and Employment, in consultation with Tourism New Zealand, New Zealand Trade and Enterprise, Te Puni Kōkiri, the Ministry of Transport, the Ministry for Environment, the Department of Conservation, the Ministry of Social Development, the Ministry of Foreign Affairs and Trade, and the Treasury to report to Cabinet by 1 June 2020 on the criteria and governance principles for the funding, which should support the purpose of the tagged contingency ‘Tourism Sector Recovery Fund’;
- 20 **authorised** the Minister of Finance, Minister of Tourism, Minister for Trade and Export Growth, Minister for Economic Development, and any other relevant appropriation Minister to jointly draw down from the tagged contingency ‘Tourism Sector Recovery Fund’ subject to any decisions taken as a result of paragraph 19 above;
- 21 **noted** that the funding in the tagged contingency ‘Tourism Sector Recovery Fund’ is being treated as operating expenditure, but depending on the decisions taken as a result of paragraph 19 above, some of the funding may end up being treated as capital expenditure;
- 22 **agreed** that the expiry date for the tagged contingency ‘Tourism Sector Recovery Fund’ be 30 June 2021;

AgResearch Lincoln Facility Development

- 23 **agreed** that the purpose of the tagged contingency ‘AgResearch Lincoln Facility Redevelopment’ is to provide support for AgResearch’s development of a new research facility and corporate headquarters in Lincoln;
- 24 **authorised** the Minister of Finance and the Minister of Research, Science and Innovation (joint Ministers) to draw down from the tagged contingency ‘AgResearch Lincoln Facility Redevelopment’ once the following conditions have been met:
- 24.1 Shareholding Ministers sign off on the Implementation Business Case;
- 24.2 the Infrastructure Commission reviews and signs off the Implementation Business Case;
- 25 **agreed** that the expiry date for the tagged contingency ‘AgResearch Lincoln Facility Redevelopment’ be 30 June 2021;

COVID-19: Infrastructure Investment

- 26 **agreed** that the purpose of the tagged contingency ‘COVID-19: Infrastructure Investment’ is to provide for investment in infrastructure to support the economic recovery from COVID-19, including projects identified by the Infrastructure Reference Group and others submitted by government agencies;
- 27 **noted** that decisions on funding projects from the tagged contingency ‘COVID-19: Infrastructure Investment’ will be taken either through a future iteration of the CRRF process or a bespoke process involving Cabinet approval;
- 28 **noted** that the funding in the tagged contingency ‘Infrastructure Reference Group “IRG” Projects in Response to COVID-19’ is being treated as capital expenditure, but depending on the projects that are funded, some of the funding may end up being treated as operating expenditure;
- 29 **agreed** that the expiry date for the tagged contingency ‘COVID-19: Infrastructure Investment’ be 30 June 2023;

He Poutama Rangatahi

- 30 **agreed** that the purpose of the tagged contingency ‘He Poutama Rangatahi’ is to develop a robust reporting tool for the collection and reporting of programme data for He Poutama Rangatahi programmes;
- 31 **authorised** the Minister of Finance and the Minister of Employment (joint Ministers) to draw down from the tagged contingency ‘He Poutama Rangatahi’ once a satisfactory business case has been signed off;
- 32 **agreed** that the expiry date for the tagged contingency ‘He Poutama Rangatahi’ be 30 June 2021;

33 **noted** that related operating funding has been provided through Vote Labour Market (Initiative 12533);

Michael Webster
Secretary of the Cabinet

Secretary's note: This minute has been republished to remove Initiative 12803, which was not considered by Cabinet.

Initiative No: 12611

Vote: Business, Science and Innovation

Title: Accelerating Rollout of Business Connect

Description: This initiative provides additional funding to advance the rollout of the platform to support businesses affected by the COVID-19. Business Connect is a digital platform launched in 2019 that will enable integrated services for businesses when dealing with local and central government. It allows businesses to apply for a range of licences, permits and registrations from different government agencies in one place thus reducing compliance time and cost.

This is an expansion of an existing service funded under Budget 2019.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.500	2.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.500	2.500	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Economic Development: Implementation of Improvements in Public Sector Procurement and Services to Business (funded by revenue Crown)	0.500	2.500	-	-	-
Total Operating	0.500	2.500	-	-	-

Vote: Business, Science and Innovation

Title: Assisting with COVID-19 Contact Tracing Using New Zealand Business Number Organisation Part Numbers

Description: This initiative provides an important element of the Ministry of Health high integrity contact tracing system for COVID-19 through robust identification of business premises using organisational part numbers. The system will leverage existing government IT platforms supporting businesses, including sole traders. It will also support further COVID-19 recovery initiatives through both e-Invoicing and Business Connect.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.447	0.289	0.289	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.447	0.289	0.289	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	0.447	0.289	0.289	-	-
Total Operating	0.447	0.289	0.289	-	-

Vote: Business, Science and Innovation

Title: Better for Business: Making it Easier and More Seamless for Business to Deal with Government

Description: This initiative provides new funding for Better for Business (B4B), to continue its focus on ease of doing business initiatives. B4B is a strategic programme focused on making significant improvements to the business experience with government. B4B provides deep insight into the needs of New Zealand’s small businesses; and has systems in place to help identify the impacts of policy and regulation on business. This will become more important in the post-COVID environment as businesses pivot towards new – and mostly digital / eCommerce – operating models.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	2.420	2.420	2.420	2.420
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.420	2.420	2.420	2.420

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Economic Development: Implementation of Improvements in Public Sector Procurement and Services to Business (funded by revenue Crown)	-	2.420	2.420	2.420	2.420
Total Operating	-	2.420	2.420	2.420	2.420

Vote: Business, Science and Innovation

Title: Business Debt Hibernation (BDH) Scheme

Description: This initiative creates the functionality within the business registers administered by the Companies Office, including the companies register, to record businesses making use of the BDH scheme. Business registers will record BDH, making certificates uploaded by businesses publicly available and enabling users of information from registers to see if a business is in BDH through MBIE's web sites, watchlist notifications and application processing interface channels.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.060	0.185	0.198	0.198	0.198
Debt Impact	0.639	-	-	-	-
No Impact	-	-	-	-	-
Total	0.699	0.185	0.198	0.198	0.198

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	0.060	0.185	0.198	0.198	0.198
Capital Injections:					
Ministry of Business, Innovation and Employment - Capital Injection	0.639	-	-	-	-
Total Operating	0.060	0.185	0.198	0.198	0.198
Total Capital	0.639	-	-	-	-

Vote: Business, Science and Innovation

Title: Capital Investment in Callaghan Innovation for a Short-Term Research and Development Loan Scheme

Description: This initiative establishes a short-term research and development (R&D) loan scheme. This scheme will provide immediate cash support to R&D performing businesses in order to reduce the impact that the COVID-19 crisis will have on R&D investment and to position New Zealand for the economic recovery.

New appropriation approval

Name	Period	Type	Category Name	Scope
Research, Science and Innovation: Callaghan Innovation - Operations	Annual	Multi-Category Expenses and Capital Expenditure	N/A	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	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	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	This category is limited to providing research and technical expertise and facilities to business and industry.
			Short-term Research and Development Loan Scheme	This category is limited to loans to Callaghan Innovation to provide temporary financial assistance by way of short-term loans to businesses undertaking research and development.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Operating Balance Impact	0.050	0.550	0.150	0.150	0.100
Debt Impact	-	149.000	-	-	-
No Impact	-	-	-	-	-
Total	0.050	149.550	0.150	0.150	0.100

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
Multi-Category Expenses and Capital Expenditure:					
Research, Science and Innovation: Callaghan Innovation - Operations (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Building Business Innovation	0.050	0.550	0.150	0.150	0.100
<i>Non-Departmental Capital Expenditure:</i>					
Short-term Research and Development Loan Scheme	-	149.000	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Callaghan Innovation - Operations (MCA)	0.050	149.550	0.150	0.150	0.100
Total Operating	0.050	0.550	0.150	0.150	0.100
Total Capital	-	149.000	-	-	-

Additional recommendations

- 34 **noted** that this funding is time-limited and does not continue to outyears;
- 35 **agreed** that all principal repayments and interest payments Callaghan Innovation receives from businesses to whom it has lent under this scheme are to be repaid to the Crown in reduction of the Crown's equity investment in Callaghan Innovation;

Vote: Business, Science and Innovation

Title: Funding for the Commerce Commission to Promote Competition in Markets

Description: This initiative provides increased capacity for the Commission to respond quickly to protect competition following COVID-19 related conduct and interventions both in the short term, such as industry collaboration or consolidation and government policy or regulatory responses, and over the longer-term. The funding will build on the existing work of the Commission and will promote competition in markets and improve the living standards of New Zealanders during the COVID-19 pandemic, the recovery and over the longer term.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	2.500	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.500	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Commerce and Consumer Affairs: Enforcement of General Market Regulation (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Enforcement of Competition Regulation	-	2.500	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Commerce and Consumer Affairs: Enforcement of General Market Regulation (MCA)	-	2.500	-	-	-
Total Operating	-	2.500	-	-	-

Vote: Business, Science and Innovation

Title: Crown Research Institute COVID-19 Response and Recovery

Description: This initiative provides Crown Research Institutes with funding to cover shortfalls in commercial revenue due to COVID-19 and support the COVID-19 recovery.

New appropriation approval

Name	Period	Type	Category Name	Scope
Research, Science and Innovation: Crown Research Institutes - COVID-19 Response and Recovery	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to supporting Crown Research Institutes to respond to the impacts of COVID-19 and to contribute to New Zealand's COVID-19 recovery efforts.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	45.100	72.300	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	45.100	72.300	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expenses:					
Research, Science and Innovation: Crown Research Institutes - COVID-19 Response and Recovery	45.100	72.300	-	-	-
Total Operating	45.100	72.300	-	-	-

Vote: Business, Science and Innovation

Title: Implementation of E-Invoicing in New Zealand

Description: This initiative provides funding for the implementation of e-Invoicing in New Zealand. This initiative represents a joint commitment by the Prime Ministers of Australia and New Zealand to combine efforts through the Trans-Tasman e-Invoicing arrangement heads of agreement. As part of the Single Economic Market, both countries have agreed to create a seamless Trans-Tasman business environment across the full e-Procurement cycle. E-Invoicing is the foundation for the full e-Procurement digital infrastructure, aiming to improve productivity, for both public and private sectors.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.097	3.259	3.108	3.038
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.097	3.259	3.108	3.038

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	-	3.097	3.259	3.108	3.038
Total Operating	-	3.097	3.259	3.108	3.038

Vote: Business, Science and Innovation

Title: Industry Policy: COVID-19 Recovery and Transformation Package

Description: This initiative builds on the foundation established in the Government's Industry Strategy, by supporting three sectors to contribute to the post-COVID-19 recovery, enabling engagement to identify recovery initiatives, and facilitating Māori economic development in these sectors.

New appropriation approval

Name	Period	Type	Category Name	Scope
Economic Development: Industry Transformation Plans	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to the development and implementation of Industry Transformation Plans.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.895	32.102	8.403	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.895	32.102	8.403	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expenses:					
Economic Development: Industry Transformation Plans	0.433	15.508	4.059	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice – Economic Development (funded by revenue Crown)	0.462	-	-	-	-
Policy Advice and Related Services to Ministers - Economic Development (funded by revenue Crown)	-	16.594	4.344	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services to Ministers (MCA)	0.462	16.594	4.344	-	-
Total Operating	0.895	32.102	8.403	-	-

Vote: Business, Science and Innovation

Title: International Growth Fund (IGF) COVID-19 Overspend Funding

Description: This initiative addresses an overspend in the International Growth Fund (IGF). As a direct result of COVID-19, New Zealand Trade and Enterprise's F700 customers who had an IGF project already underway have drawn down more quickly on their IGF funding than would normally be the case.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	6.000	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	6.000	-	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand (MCA)					
<i>Non-Departmental Other Expenses:</i>					
International Growth Fund	6.000	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand (MCA)	6.000	-	-	-	-
Total Operating	6.000	-	-	-	-

Vote: Business, Science and Innovation

Title: Investment in Labour Market Response

Description: This initiative provides funding for: a temporary increase in resourcing for the Ministry of Business, Innovation and Employment's employment services to increase the availability of support and guidance for workers and workplaces following COVID-19; and a contestable fund to ensure that business services, unions, and community providers are well-informed and better able to support workers and workplaces manage and minimise the employment impacts of COVID-19.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.111	-	-	-
No Impact	-	-	-	-	-
Total	-	0.111	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injections:					
Ministry of Business, Innovation and Employment - Capital Injection	-	0.111	-	-	-
Total Capital	-	0.111	-	-	-

Additional recommendation

36 **noted** that there is an associated initiative in Vote Labour Market (Initiative 12570), which includes the associated impact on the operating balance;

Vote: Business, Science and Innovation

Title: Maintaining Research and Development Services to New Zealand's Businesses

Description: This initiative provides Callaghan Innovation with funding to cover a shortfall in commercial revenue as a result of COVID-19. This will ensure Callaghan Innovation can maintain critical in-house research and development capability to serve New Zealand businesses.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	3.600	6.300	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	3.600	6.300	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Research, Science and Innovation: Callaghan Innovation - Operations (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Research and Development Services and Facilities for Business and Industry	3.600	6.300	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Callaghan Innovation - Operations (MCA)	3.600	6.300	-	-	-
Total Operating	3.600	6.300	-	-	-

Vote: Business, Science and Innovation

Title: New Zealand’s Economic Recovery: Revitalising the International Business Sector

Description: This initiative supports the export leg of New Zealand’s economic recovery from COVID-19 by increasing the scale, intensity and reach of New Zealand Trade and Enterprise’s (NZTE) support services for exporters over several years. The initiative doubles the number of companies (from 700 to 1400) who receive “Focus”-level support from NZTE, provides expanded NZTE international business development capacity in selected key markets, establishes Centres of Excellence in Freight and Digital Commerce, and funds a concerted campaign to reinforce and broaden New Zealand’s national brand in key markets, via NZ Story. The programme of work would be delivered in a way that addresses the need for sector-specific interventions, and in close collaboration with NZ Inc partners domestically and offshore.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	54.000	54.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	54.000	54.000	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand (MCA)					
<i>Non-Departmental Other Expenses:</i>					
International Growth Fund	-	54.000	54.000	-	-
Total Multi-Category Expenses and Capital Expenditure: Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand (MCA)	-	54.000	54.000	-	-
Total Operating	-	54.000	54.000	-	-

Vote: Business, Science and Innovation

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Vote: Business, Science and Innovation

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Vote: Business, Science and Innovation

Title: Premium New Zealand Films for International Audiences

Description: This initiative provides reprioritised funding to support up to 8 premium narrative, live-action screen productions of either feature film or limited series length for domestic and international audiences. The funding will be used for domestic productions telling New Zealand stories, made by New Zealand production houses and using New Zealand cast and crew underutilised due to international productions pulling out of New Zealand for the foreseeable future. The fund would be available for experienced New Zealand producers with clear path to market, including commitment from both local and international distributors to purchase the production.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	(25.000)	(25.000)	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(25.000)	(25.000)	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expenses:					
Economic Development: Large Budget Screen Production Fund	-	-	(25.000)	-	-
Economic Development: New Zealand Screen Production Grant- International MYA 2017-2021 (MYA)	-	(25.000)	-	-	-
Total Operating	-	(25.000)	(25.000)	-	-

Additional recommendations

- 37 **noted** that this is a fiscally neutral transfer from Vote Business, Science and Innovation to Vote Arts, Culture and Heritage (Initiative 12602);
- 38 **noted** that this fiscally neutral adjustment is likely to increase the future cost pressures on the New Zealand Screen Production Grant – International MYA, as it is a non-discretionary and uncapped grant, and that calls on future Budgets may be required to address this cost pressure (including before Budget 2021);
- 39 **noted** that Cabinet has previously invited the Minister for Arts, Culture and Heritage and Minister for Economic Development to jointly report back to the Cabinet Economic Development Committee on the fiscal sustainability of the New Zealand Production Screen Grant (NZSPG) schemes;

- 40 **agreed** that the Multi Year Appropriation: "Economic Development: New Zealand Screen Production Grant- International MYA 2017-2021" is adjusted by \$(25.000) million;
- 41 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "Economic Development: New Zealand Screen Production Grant- International MYA 2017-2021" is the change to the indicative annual spending profile;

Vote: Business, Science and Innovation

Title: Support for Small Businesses Tailored to COVID-19 Needs

Description: This initiative enables business.govt.nz, with help from 200 partners, to create, tailor and deliver recovery-focused, tailored guidance to 600,000 small businesses. Resources will focus on how to: forecast and manage cash flow and adapt their businesses; obtain finance to meet needs now and for future growth; market their businesses in New Zealand (especially tourism) and globally; adopt new digital technology, including e-commerce and productivity enhancing tools; and deal with isolation and mental health issues.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.300	2.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.300	2.000	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	0.300	2.000	-	-	-
Total Operating	0.300	2.000	-	-	-

Vote: Business, Science and Innovation

Title: The Auckland Pacific Skills Shift

Description: The initiative supports Auckland Pacific peoples in low-skilled work to transition into quality employment by providing wrap-around support to impacted Pacific households and programmes to build capability of Pacific communities. It facilitates the delivery of micro-credentials to individuals in low-skilled jobs in Auckland businesses.

New appropriation approval

Name	Period	Type	Category Name	Scope
Economic Development: Auckland Pacific Skills Shift	Annual	Non-Departmental Output Expenses	N/A	This appropriation is limited to establishing and operating the Auckland Pacific Skills Shift programme.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.066	5.500	5.500	5.500	5.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.066	5.500	5.500	5.500	5.500

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expenses:					
Economic Development: Auckland Pacific Skills Shift	0.066	5.500	5.500	5.500	5.500
Total Operating	0.066	5.500	5.500	5.500	5.500

Vote: Business, Science and Innovation

Title: Warmer Kiwi Homes Expansion

Description: This initiative delivers subsidised insulation and heating retrofits in houses occupied by low-income owners. It will expand the Energy Efficiency and Conservation Authority's existing Warmer Kiwi Homes programme and will increase the proportion of the cost of insulation and heating retrofits that is covered by government grants. This will increase the incentive for low-income owner-occupiers to access the Warmer Kiwi Homes grants. It also recognises the higher barrier for low income households to meet their share of the cost in the post COVID-19 economy.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	28.222	28.222	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	28.222	28.222	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expenses:					
Energy and Resources: Grant Scheme for Warm, Dry Homes (MYA)	-	28.222	28.222	-	-
Total Operating	-	28.222	28.222	-	-

Additional recommendations

- 42 **agreed** that the Multi Year Appropriation: "Energy and Resources: Grant Scheme for Warm, Dry Homes" is adjusted by \$56.444 million;
- 43 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "Energy and Resources: Grant Scheme for Warm, Dry Homes" is the change to the indicative annual spending profile.