

The Treasury

Budget 2020 Information Release

July 2020

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0155.05: 2020 Budget Package: Vote Business, Science and Innovation**

Date: **6 April 2020**

Creator: Cabinet Office

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- [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

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2020 Budget Package: Vote Business, Science and Innovation

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2020 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
11914	Building and Maintaining Consumer Confidence in the New Financial Adviser Regime and Financial Markets	-	1.304	1.304	1.304	1.304
11955	Expanding the Impact of Vision Mātauranga	-	-	-	-	-
11751	Finance Management Information System Renewal	-	0.368	0.288	0.096	-
11915	Maintaining Credible Deterrence of Misconduct in Financial Markets through an Increase to the Financial Market Authority's Litigation Fund	-	3.000	3.000	3.000	3.000
11802	Maintaining the Emergency Caller Location Information (ECLI) Service	-	12.390	-	-	-
11745	Nationally Significant Collections and Databases	-	3.000	3.000	3.000	3.000
11754	Ongoing Operation of the New Zealand Screen Production Grant - International	6.500	140.000	-	-	-
11859	Property Functional Leadership	-	3.447	3.447	3.447	3.447
11821	Strengthening the Impact of the Commerce Commission	-	7.034	9.774	11.126	13.907
11748	Sustaining Core Scientific Research Capability for Specific Strategic Science Investment Fund Platforms	-	15.000	15.000	15.000	15.000

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12228	Transitional Funding for the Continued Provision of Mail Services from New Zealand Post	0.100	29.800	41.200	58.900	-
Total Operating		6.600	215.343	77.013	95.873	39.658

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
12440	Addressing Cost Pressures in the Employment Relations – Employment Standards System	-	2.000	-	-	-
11914	Building and Maintaining Consumer Confidence in the New Financial Adviser Regime and Financial Markets	-	3.800	-	-	-
12441	Ensuring the Safety of Staff and Refugees at Mangere Refugee Resettlement Centre	-	1.950	-	-	-
11802	Maintaining The Emergency Caller Location Information (ECLI) Service	-	2.800	-	-	-
Total Capital		-	10.550	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations and the capital injections to the administering department 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 above be included in the 2019/20 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 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;
- 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 a budget-in-confidence-until-budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;

- 8 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister;
- 9 **agreed** that the initiatives in the following table be contingency items and that corresponding funding for them be charged against the Budget 2020 operating allowance and the multi-year capital allowance;

Capital Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24
The Institute of Environmental Science And Research (ESR) Kenepuru Property Redevelopment	-	-	-	10.000	15.000
Total Capital	-	-	-	10.000	15.000

- 10 **authorised** the Minister of Finance and the Minister of Research, Science and Innovation (joint Ministers) to draw down from the tagged contingency ‘The Institute of Environmental Science and Research (ESR) Kenepuru Property Redevelopment’ once the following conditions have been met:
- 10.1 Shareholding Ministers sign off on the Implementation Business Case;
- 10.2 the Infrastructure Commission review and sign off the Implementation Business Case;
- 10.3 the Ministry of Business, Innovation and Employment receive and accept a financial case from ESR for the additional funds;
- 11 **agreed** that the expiry date for the tagged contingency ‘The Institute of Environmental Science And Research (ESR) Kenepuru Property Redevelopment’ be 30 June 2021.

Michael Webster
Secretary of the Cabinet

Initiative No: 12440

- Vote:** Business, Science and Innovation
- Title:** Addressing Cost Pressures in the Employment Relations – Employment Standards System
- Description:** This initiative provides funding to maintain current service levels for frontline employment services including the Labour Inspectorate, employment mediation, information and education, and operational support for the Employment Relations Authority.

Appropriation changes

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

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injection:					
Ministry of Business, Innovation and Employment - Capital Injection	-	2.000	-	-	-
Total Capital	-	2.000	-	-	-

Additional recommendation

- 12 **noted** that the capital injection above will fund the development of a workforce comparators repository, which will support the efficiency of the proposed pay equity legislation by enabling the information of key workforces to be re-used for future pay equity claims;
- 13 **noted** that there is an associated initiative in Vote Labour Market (Initiative 11910), which includes the operating funding;

Vote: Business, Science and Innovation

Title: Building and Maintaining Consumer Confidence in the New Financial Adviser Regime and Financial Markets

Description: This initiative will provide additional baseline funding for the Financial Markets Authority (FMA). The implementation of the supervision of a new financial advice regime requires funding to ensure that it is effective and meets policy objectives. There are cost pressures for FMA related to the follow-up work to the conduct and culture review of banks and life insurers. There is also an increased expectation to identify and address issues across the financial market sector following the Australian Royal Commission and the conduct and culture review undertaken by the FMA and the Reserve Bank of New Zealand.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	1.304	1.304	1.304	1.304
Debt Impact	-	3.800	-	-	-
No Impact	-	11.196	16.196	23.501	23.501
Total	-	16.300	17.500	24.805	24.805

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Capital Expenditure:					
Investment in the Financial Markets Authority	-	3.800	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Services and Advice to Support Well-functioning Financial Markets (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Performance of Investigation and Enforcement Functions	-	2.152	3.013	4.270	4.270
Performance of Licensing and Compliance Monitoring Functions	-	5.580	7.812	11.074	11.074
Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions	-	4.768	6.675	9.461	9.461
Total Multi-Category Expenses and Capital Expenditure: Services and Advice to Support Well-functioning Financial Markets (MCA)	-	12.500	17.500	24.805	24.805
Total Operating	-	12.500	17.500	24.805	24.805
Total Capital	-	3.800	-	-	-

Additional Recommendations

- 14 **noted** that the increase to the FMA's baseline will be phased over three years and that the funding will be split between the Crown and industry contributions through the FMA levy;
- 15 **noted** that \$73.394 million across the forecast period will be levy-funded and is considered to be fiscally neutral, with no impact on the Budget 2020 operating allowance;
- 16 **noted** that on 8 April 2020, the Cabinet Business Committee will consider a paper seeking approval for how the industry's contribution to the increase in the FMA's baseline funding will be distributed between different levy payers;
- 17 **noted** that the financial impact of an increase in the FMA's baseline funding on industry could be reduced by the Crown increasing its contribution in future;

Vote: Business, Science and Innovation

Title: Ensuring the Safety of Staff and Refugees at Mangere Refugee Resettlement Centre

Description: This initiative provides funding to support security upgrades to the Mangere Refugee Resettlement Centre following a security assessment highlighting its increased level of risk. This will include increased use of technology, smart design features and additional security staff.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	1.950	-	-	-
No Impact	-	-	-	-	-
Total	-	1.950	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injection:					
Ministry of Business, Innovation and Employment - Capital Injection	-	1.950	-	-	-
Total Capital	-	1.950	-	-	-

Additional recommendation

18 **noted** that there is an associated initiative in Vote Labour Market (Initiative 11800), which includes the operating funding;

Vote: Business, Science and Innovation

Title: Expanding the Impact of Vision Mātauranga

Description: This initiative expands the impact of Vision Mātauranga through investment that attracts and grows Māori talent in the Research, Science and Innovation System (the system); enables Māori to better navigate and participate in the system; and funds Māori-led research, science and innovation.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	(10.100)	1.100	9.000	-
Total	-	(10.100)	1.100	9.000	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expenses:					
Research, Science and Innovation: National Science Challenges (MYA)	-	(10.700)	-	-	-
Research, Science and Innovation: Partnered Research Fund	-	(1.400)	(3.900)	(4.000)	(13.000)
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice and Related Services to Ministers - Research, Science and Innovation (funded by revenue Crown)	-	1.400	0.700	0.700	0.700
Research, Science and Innovation: Contract Management (MCA)					
<i>Departmental Output Expense:</i>					
Science and Innovation Contract Management (funded by revenue Crown)	-	0.600	0.300	0.300	0.300
Research, Science and Innovation: Strategic Science Investment Fund (MCA)					
<i>Non-Departmental Output Expense:</i>					
Strategic Science Investment Fund - Programmes	-	-	4.000	12.000	12.000
Total Operating	-	(10.100)	1.100	9.000	-

Additional Recommendations

- 19 **noted** that the total cost of this initiative (\$33.000 million over the forecast period) is funded through reprioritisation so there is no impact on the operating balance;
- 20 **agreed** that the Multi-Year Appropriation: "Research, Science and Innovation: National Science Challenges" is adjusted by (\$10.700) million;
- 21 **noted** that amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Research, Science and Innovation: National Science Challenges" is the change to the indicative annual spending profile;

Vote: Business, Science and Innovation

Title: Finance Management Information System Renewal

Description: This initiative provides funding for an upgrade to the Ministry of Business, Innovation and Employment's (MBIE's) Financial Management Information System (FMIS). This will ensure that MBIE can implement e-Invoicing and other cloud based offerings, which will enable faster invoice payment times and provide multi-device flexibility to back office functions that align with common all-of-government processes.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	0.368	0.288	0.096	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.368	0.288	0.096	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Commerce and Consumer Affairs: Official Assignee Functions (funded by revenue Crown)	-	0.040	0.031	0.010	-
Commerce and Consumer Affairs: Registration and Granting of Intellectual Property Rights (funded by revenue Crown)	-	0.026	0.020	0.007	-
Commerce and Consumer Affairs: Registration and Provision of Statutory Information (funded by revenue Crown)	-	0.048	0.037	0.012	-
Commerce and Consumer Affairs: Standards Development and Approval (funded by revenue Crown)	-	0.009	0.007	0.002	-
Commerce and Consumer Affairs: Trading Standards (funded by revenue Crown)	-	0.017	0.013	0.004	-
Communications: Cyber Security Services (funded by revenue Crown)	-	0.003	0.002	0.001	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Communications: Management and Enforcement of the Radiocommunications Act 1989 (funded by revenue Crown)	-	0.013	0.010	0.003	-
Economic Development: Implementation of Improvements in Public Sector Procurement and Services to Business (funded by revenue Crown)	-	0.046	0.036	0.013	-
Energy and Resources: Information Services (funded by revenue Crown)	-	0.008	0.006	0.002	-
Energy and Resources: Management of the Crown Mineral Estate (funded by revenue Crown)	-	0.033	0.025	0.008	-
Research, Science and Innovation: Innovative Partnerships (funded by revenue Crown)	-	0.004	0.003	0.001	-
Research, Science and Innovation: National Research Information System (funded by revenue Crown)	-	0.005	0.004	0.001	-
State Services: Property Management within the State Sector (funded by revenue Crown)	-	0.002	0.002	0.001	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expenses:</i>					
Investigative Services - Trade Remedies (funded by revenue Crown)	-	0.002	0.002	0.001	-
Policy Advice and Related Services to Ministers - Commerce and Consumer Affairs (funded by revenue Crown)	-	0.014	0.011	0.004	-
Policy Advice and Related Services to Ministers - Communications (funded by revenue Crown)	-	0.010	0.008	0.003	-
Policy Advice and Related Services to Ministers - Economic Development (funded by revenue Crown)	-	0.018	0.014	0.004	-
Policy Advice and Related Services to Ministers - Energy and Resources (funded by revenue Crown)	-	0.008	0.007	0.002	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Policy Advice and Related Services to Ministers - Research, Science and Innovation (funded by revenue Crown)	-	0.007	0.006	0.002	-
Policy Advice and Related Services to Ministers - Small Business (funded by revenue Crown)	-	0.002	0.002	0.001	-
Policy Advice and Related Services to Ministers - Tourism (funded by revenue Crown)	-	0.006	0.005	0.002	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	-	<i>0.067</i>	<i>0.055</i>	<i>0.019</i>	-
Regional Economic Development: Provincial Growth Fund (MCA) <i>Departmental Output Expense:</i>					
Operational Support of Regional and Sector Investments (funded by revenue Crown)	-	0.023	0.018	0.006	-
Research, Science and Innovation: Contract Management (MCA) <i>Departmental Output Expense:</i>					
Science and Innovation Contract Management (funded by revenue Crown)	-	0.016	0.013	0.004	-
Sector Analysis and Facilitation (MCA) <i>Departmental Output Expenses:</i>					
Sectoral and Regional Data and Analysis – Economic Development (funded by revenue Crown)	-	0.005	0.004	0.001	-
Tourism Data and Analysis – Tourism (funded by revenue Crown)	-	0.003	0.002	0.001	-
Total Operating	-	0.368	0.288	0.096	-

Additional recommendation

- 22 **noted** that there are associated initiatives in Vote Building and Construction (initiative 12449) and Vote Labour Market (initiative 12448), which include the remaining operating funding;

Vote: Business, Science and Innovation

Title: Maintaining Credible Deterrence of Misconduct in Financial Markets through an Increase to the Financial Market Authority’s Litigation Fund

Description: This initiative provides additional funding for the Financial Markets Authority’s (FMA) Litigation Fund. As there is a new regulatory regime for financial advisers coming into force in June 2020, there will be an increased demand on the Litigation Fund due to a larger licensed adviser sector. Furthermore, the costs of undertaking litigation and legal fees have risen, while technology has made proceedings more complex and increased data management costs. Adequate resources are required to provide credible deterrence, and for the FMA to fulfil legislative responsibilities and increased expectations.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.000	3.000	3.000	3.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	3.000	3.000	3.000

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expense:					
Commerce and Consumer Affairs: Financial Markets Authority Litigation Fund	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000

Additional recommendation

23 **agreed** that any under-expenditure in the Non-Departmental Other Expense: Financial Markets Authority Litigation Fund be retained at the end of each financial year to recognise the uncertain timing of litigation costs, with no impact on the operating balance and net core Crown debt;

Vote: Business, Science and Innovation

Title: Maintaining the Emergency Caller Location Information (ECLI) Service

Description: This initiative enables the continued delivery of the Emergency Caller Location Information (ECLI) service. ECLI enables emergency call-takers to receive automatically generated geographical information about the location of a 111-caller from any mobile phone. ECLI is an integral part of New Zealand's emergency services system, leading to faster emergency call handling and response times due to better incident information.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	12.390	-	-	-
Debt Impact	-	2.800	-	-	-
No Impact	-	-	-	-	-
Total	-	15.190	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Capital Injection:					
Ministry of Business, Innovation and Employment - Capital Injection	-	2.800	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Communications: Management of Emergency Telecommunications Services (MCA)					
<i>Departmental Output Expenses:</i>					
Management of Telecommunications Capabilities (funded by revenue Crown)		12.390			
Total Operating	-	12.390	-	-	-
Total Capital	-	2.800	-	-	-

Vote: Business, Science and Innovation

Title: Nationally Significant Collections and Databases

Description: This initiative responds to increased pressures on Nationally Significant Collections and Databases (NSCDs) due to greater demand for services and price increases due to inflation, changing technology and increased pressure on infrastructure as collections and datasets grow. The additional funding will ensure sustained access to NSCDs in order to support excellent and impactful research and will support existing NSCDs to continue to provide the current level of service whilst MBIE completes policy work to determine whether the current cohort of funded NSCDs is the most appropriate for the current research environment.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.000	3.000	3.000	3.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	3.000	3.000	3.000

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Research, Science and Innovation: Strategic Science Investment Fund (MCA)					
<i>Non-Departmental Output Expense:</i>					
Strategic Science Investment Fund - Infrastructure	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000

- Vote:** Business, Science and Innovation
- Title:** Ongoing Operation of the New Zealand Screen Production Grant - International
- Description:** The New Zealand Screen Production Grant – International is a rebate on expenditure undertaken in New Zealand, subject to specific criteria. The fiscal cost of the grant fluctuates in response to the level of international screen production activity. Growing global demand for screen content, coupled with the favourable reputation as a screen production destination, is leading to rising levels of production activity in New Zealand. The current level of funding has proven to be insufficient to meet this growth in activity. This initiative will provide additional funding to cover the anticipated call on the grant in the final year of the Multi-Year Appropriation.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	6.500	140.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	6.500	140.000	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Other Expense:					
Economic Development: New Zealand Screen Production Grant – International MYA 2017-2021 (MYA)	6.500	140.000	-	-	-
Total Operating	6.500	140.000	-	-	-

Additional recommendations

- 24 **noted** that the Minister for Arts, Culture and Heritage and Minister for Economic Development have been invited jointly to report back to the Cabinet Economic Development Committee on the fiscal sustainability of the NZSPG schemes [CAB-19-MIN-0174.05];
- 25 **agreed** that the Multi-Year Appropriation: "New Zealand Screen Production Grant – International" is adjusted by \$146.500 million;
- 26 **noted** that the amounts shown in the appropriations changes table for the Multi-Year Appropriation: "New Zealand Screen Production Grant – International" is the change to the indicative annual spending profile;

Vote: Business, Science and Innovation

Title: Property Functional Leadership

Description: This initiative provides additional resourcing for the Government Property Group. The scale of projects and opportunities across the government property portfolio, both in the major cities and regions, is driving the need for good portfolio management, good governance supported by good information, greater assurance that projects are being managed appropriately, and the development of greater capability across the government property system.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	3.447	3.447	3.447	3.447
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.447	3.447	3.447	3.447

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
State Services: Property Management within the State Sector (funded by revenue Crown)	-	3.447	3.447	3.447	3.447
Total Operating	-	3.447	3.447	3.447	3.447

Vote: Business, Science and Innovation

Title: Strengthening the Impact of the Commerce Commission

Description: Led by the Minister of Commerce and Consumer Affairs. This initiative provides additional baseline funding for the Commerce Commission. The rapid expansion in the Commission's regulatory responsibilities has coincided with increased demand and changing Government expectations, culminating in cost pressures that cannot be met within existing baselines. Through a mix of Crown funding and industry levies, this initiative will strengthen the Commission's ability to support the well-being of all New Zealanders during the pandemic, the recovery, and to rebuild the economy over the longer term, deliver additional market studies, better understand and influence consumer outcomes, remain active as an enforcer, increase confidence in markets and ensure that the Commission remains sustainable and resilient.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	7.034	9.774	11.126	13.907
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	7.034	9.774	11.126	13.907

	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expense:					
Commerce and Consumer Affairs: Competition Studies	-	0.933	1.080	1.172	1.465
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	-	1.800	2.546	2.866	3.582
Enforcement of Consumer Regulation	-	3.140	4.440	4.999	6.248
Total Multi-Category Expenses and Capital Expenditure: Commerce and Consumer Affairs: Enforcement of General Market Regulation (MCA)	-	4.940	6.986	7.865	9.830
Commerce Commission Litigation Funds (MCA)					
<i>Non-Departmental Other Expense:</i>					
Commerce Commission Externally-Sourced Litigation	-	1.161	1.708	2.089	2.612
Total Multi-Category Expenses and Capital Expenditure: Commerce Commission Litigation Funds (MCA)	-	1.161	1.708	2.089	2.612
Total Operating	-	7.034	9.774	11.126	13.907

Initiative No: 11748

Vote: Business, Science and Innovation

Title: Sustaining Core Scientific Research Capability for Specific Strategic Science Investment Fund Platforms

Description: Led by the Minister of Research, Science and Innovation. This initiative increases Strategic Science Investment Fund Platforms (SSIF) programmes funding for Crown Research Institutes (CRIs) with the most pressing cost pressures, ensuring New Zealand retains the scientific expertise and capability needed to address key economic, social and environmental challenges facing the country. The long-term funding for CRIs has remained constant for 13 years. The declining value of funding in real terms has created significant financial pressure on institutes and, in some cases, threatened the sustainability of essential scientific services and expertise.

Appropriation changes

	\$m - increase/(decrease)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	15.000	15.000	15.000	15.000	15.000
Debt Impact	-	-	-	-	-	-
No Impact	-	(14.250)	4.750	4.750	4.750	-
Total	-	0.750	19.750	19.750	19.750	15.000

	\$m - increase/(decrease)					
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expense:						
Research, Science and Innovation: National Science Challenges (MYA)	-	(19.000)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:						
Research, Science and Innovation: Strategic Science Investment Fund (MCA)						
<i>Non-Departmental Output Expense:</i>						
Strategic Science Investment Fund - Programmes	-	19.750	19.750	19.750	19.750	15.000
Total Operating	-	0.750	19.750	19.750	19.750	15.000

Additional recommendations

- 27 **noted** that the total cost of this initiative is \$79.000 million over the forecast period, but that \$19.000 million of this is funded through reprioritisation, so the impact of the initiative on the operating balance is \$60.000 million across the forecast period;
- 28 **noted** that the baseline increase of \$15.000 million continues beyond 2023/24 with a corresponding impact on the operating balance and net core Crown debt;
- 29 **agreed** that the Multi-Year Appropriation: "Research, Science and Innovation: National Science Challenges" is adjusted by \$(19.000) million;
- 30 **noted** that amounts shown in the appropriations changes table for the Multi-Year Appropriation: "Research, Science and Innovation: National Science Challenges" is the change to the indicative annual spending profile;

Initiative No: 12228

Vote: Business, Science and Innovation

Title: Transitional Funding for the Continued Provision of Mail Services from New Zealand Post

Description: Led by the Minister of Broadcasting, Communications and Digital Media. This initiative supports New Zealand Post (NZ Post) to maintain the social benefits associated with mail services such as connectivity and civic engagement and addresses a revenue gap so that NZ Post's postal delivery service obligations may be maintained. Funding is over a transitional period of three years to allow users and senders more time to manage a transition away from mail reliance.

New appropriation approval

Name	Period	Type	Category Name	Scope
Transitional provision of mail services by New Zealand Post	Multi-Year Appropriation Start: 1/04/2020 Finish: 30/06/2024 Amount (\$m): 130.000	Non-Departmental Output Expenses	N/A	This appropriation is limited to transitional resourcing of New Zealand Post so that it provides a minimum level of mail service, consistent with its obligations under the Deed of Understanding for the basic postal delivery service.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.100	29.800	41.200	58.900	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.100	29.800	41.200	58.900	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Non-Departmental Output Expense:					
Transitional provision of mail services by New Zealand Post (MYA)	0.100	29.800	41.200	58.900	-
Total Operating	0.100	29.800	41.200	58.900	-

Additional recommendations

- 31 **agreed** that the Multi-Year Appropriation: "Transitional provision of mail services by New Zealand Post" is established at \$130.000 million;
- 32 **noted** that the amounts shown in the appropriations changes table for the Multi Year Appropriation: "Transitional provision of mail services by New Zealand Post" is the indicative annual spending profile.