

The Treasury

Budget 2023 Information Release

July 2023

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- [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
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- [36] 9(2)(h) - to maintain legal professional privilege
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- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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2023 Budget Package: Vote Business, Science and Innovation (Technical Initiatives)

Appropriation Administrator: Ministry of Business, Innovation and Employment

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2023 Budget package, as detailed in the summary table(s) below:

Summary of Technical Initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15088	Aerospace Strategy - Support for the Emerging Technologies Unit	(3.700)	-	-	-	-
15087	Changes to Funding Research & Development (R&D) Business Support Appropriations	(5.000)	5.000	-	-	-
15331	Development of Early Stage Capital Markets		(0.010)	(0.010)	(0.010)	(0.010)
15081	Final Round of Tourism Infrastructure Fund 2023	(7.187)	6.387	0.500	0.300	-
15080	Kānoa-RDU Departmental Operating Funding Expense Transfers and In-Principle Expense Transfers	(7.000)	7.000	-	-	-
15120	Increase in the Appropriation Funding the Electricity Authority from Increased Levy Revenue	-	-	-	-	-
15119	Increase to the Appropriation Funding the Energy Efficiency and Conservation Authority from Increased Levy Revenue	-	-	-	-	-
15327	Investment in Infrastructure Projects	-	-	-	-	-
15335	Provincial Growth Fund and Strategic Tourism Assets Protection Programme Multi-Category Appropriations	-	-	-	-	-
15329	Regional Strategic Partnership and Infrastructure Reference Group Funds	-	(0.020)	-	-	-
15075	Rephasing the Circular Economy and Bioeconomy Strategy Budget	(0.864)	0.864	-	-	-
15076	Re-profile of Spend Due to Higher Demand than Expected in Year 1	1.000	(1.000)	-	-	-

15336	Renewable Energy in Communities and Public and Māori Housing	-	-	-	-	-
15085	Research, Science and Innovation: Innovation Trailblazer Grant 2023-2028	-	-	-	-	-
15084	Research, Science and Innovation: New to R&D Grant 2023-2028	-	-	-	-	-
15083	Research, Science and Innovation: R&D Project Grant 2023-2028	-	-	-	-	-
15086	Research, Science and Innovation: Technology Incubator Programme 2023-2027	-	-	-	-	-
15249	Small Business Digital Enablement Programme	(12.220)	7.960	4.260	-	-
15082	Tourism Innovation Fund	(51.500)	30.000	21.500	-	-
15079	Transfer Remaining Funding from the Infrastructure Reference Group MYA to New MCA	0.587	(0.587)	-	-	-
15078	Update Balance of Multi-year Appropriation to Reflect 2021/22 Underspend	-	0.050	-	-	-
Total Operating		(85.884)	55.644	26.250	0.290	(0.010)

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
15088	Aerospace Strategy - Support for the Emerging Technologies Unit	-	-	-	-	-
15087	Changes to Funding Research & Development (R&D) Business Support Appropriations	-	-	-	-	-
15331	Development of Early Stage Capital Markets	-	0.010	0.010	0.010	0.010
15081	Final Round of Tourism Infrastructure Fund 2023	-	-	-	-	-
15080	Kānoa-RDU Departmental Operating Funding Expense Transfers and In-principle Expense Transfers	-	-	-	-	-
15335	Provincial Growth Fund and Strategic Tourism Assets Protection Programme Multi-Category Appropriations	-	-	-	-	-
15329	Regional Strategic Partnership and Infrastructure Reference Group Funds	-	0.020	-	-	-

15075	Rephasing the Circular Economy and Bioeconomy Strategy Budget	-	-	-	-	-
15076	Re-profile of Spend Due to Higher Demand than Expected in Year 1	-	-	-	-	-
15336	Renewable Energy in Communities and Public and Māori Housing	-	-	-	-	-
15120	Increase in the Appropriation Funding the Electricity Authority from Increased Levy Revenue	-	-	-	-	-
15119	Increase to the Appropriation Funding the Energy Efficiency and Conservation Authority from Increased Levy Revenue	-	-	-	-	-
15075	Rephasing the Circular Economy and Bioeconomy Strategy Budget	-	-	-	-	-
15076	Re-profile of Spend Due to Higher Demand than Expected in Year 1	-	-	-	-	-
15085	Research, Science and Innovation: Innovation Trailblazer Grant 2023-2028	-	-	-	-	-
15084	Research, Science and Innovation: New to R&D Grant 2023-2028	-	-	-	-	-
15083	Research, Science and Innovation: R&D Project Grant 2023-2028	-	-	-	-	-
15086	Research, Science and Innovation: Technology Incubator Programme 2023-2027	-	-	-	-	-
15249	Small Business Digital Enablement Programme	-	-	-	-	-
15082	Tourism Innovation Fund	-	-	-	-	-
15079	Transfer Remaining Funding from the Infrastructure Reference Group MYA to New MCA	9.427	(9.427)	-	-	-
15078	Update Balance of Multi-year Appropriation to Reflect 2021/22 Underspend	-	-	-	-	-
Total Capital		9.427	(9.397)	0.010	0.010	0.010

- 2 **note** that Cabinet has:
- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2023 Budget package for the above Vote, as detailed in the summary table(s) above;
 - ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2022/23 approved by Joint Ministers as authorised above be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
 - iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2023/24 Estimates and being sought in the Appropriation (2023/24 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
 - iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2022/23 Supplementary Estimates, the 2023/24 Estimates and the fiscal forecasts;
 - v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet 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 and/or Statement of Performance Expectations;
 - vi. **noted** that all communications relating to the 2023 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);
- 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2022/23 detailed in the attached initiative document(s) be included in the 2022/23 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Aerospace Strategy - Support for the Emerging Technologies Unit

Description: This initiative transfers \$3.7 million from the Ministry of Business, Innovation and Employment to the Ministry of Transport to address critical under-resourcing in the Civil Aviation Authority’s Emerging Technologies Unit. The funding is fiscally neutral between the two agencies over the forecast period.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(3.700)	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(3.700)	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Other Expenses:					
Tourism: Tourism Facilities Development Grants	(1.500)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice and Related Services to Ministers - Economic Development (funded by revenue Crown)	(2.200)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services to Ministers (MCA)	(2.200)	-	-	-	-
Total Operating	(3.700)	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

7 **note** that the corresponding initiative in Vote Transport is Initiative No: 15146;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Changes to Funding Research & Development (R&D) Business Support Appropriations

Description: This initiative transfers \$5 million from the Targeted Business Research and Development Funding MCA - R&D Project Grant 2022/23 to the newly established R&D Project Grant MYA 2023-2028. This will allow Callaghan Innovation to meet claims against projects which have been contracted. There is expected to be an increase in claims in 2023/2024, therefore an additional IPET is being sought for the R&D Project Grant (initiative no:15083). As the IPET will not be confirmed until the October Baseline Update, this initiative will be an interim measure to avoid unappropriated expenditure.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(5.000)	5.000	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(5.000)	5.000	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses R&D Project Grant 2023-2028 (MYA)		5.000			
Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Targeted Business Research and Development Funding (MCA)					
<i>Non-Departmental Output Expenses:</i>					
R&D Project Grant	(5.000)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Targeted Business Research and Development Funding (MCA)	(5.000)	-	-	-	-
Total Operating	(5.000)	5.000	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

- 8 **agree** the Multi-Year Appropriation: "R&D Project Grant 2023-2028" is adjusted by \$5.000 million;
- 9 **note** that the amounts shown in the Appropriation Changes table for the Multi-Year Appropriation: "R&D Project Grant 2023-2028" reflect the change to the indicative annual spending profile;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Development of Early Stage Capital Markets
Description:	This initiative reactivates the 'Aspire NZ Seed Fund' category for 2023/24 and outyears within the Economic Development: Development of Early Stage Capital Markets MCA.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	(0.010)	(0.010)	(0.010)	(0.010)
Net Debt Impact Only	-	0.010	0.010	0.010	0.010
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Economic Development: Development of Early Stage Capital Markets (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Investment Fund Management	-	(0.010)	(0.010)	(0.010)	(0.010)
<i>Non-Departmental Capital Expenditure:</i>					
Aspire NZ Seed Fund	-	0.010	0.010	0.010	0.010
Total Multi-Category Expenses and Capital Expenditure: Economic Development: Development of Early Stage Capital Markets (MCA)	-	-	-	-	-
Total Operating	-	(0.010)	(0.010)	(0.010)	(0.010)
Total Capital	-	0.010	0.010	0.010	0.010

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Final Round of Tourism Infrastructure Fund 2023

Description: This initiative transfers unallocated funding from the Tourism Facilities MCA in 2022/23 to the Tourism Infrastructure Fund for expected contract commitments and a final round of funding. Unallocated funding in the Tourism Facilities MCA is also transferred to manage tourism funding contracts in 2024/25 and 2025/26.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(7.187)	6.387	0.500	0.300	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(7.187)	6.387	0.500	0.300	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Tourism: Tourism Fund Management (funded by revenue Crown)	-	-	0.500	0.300	-
Non-Departmental Other Expenses:					
Tourism Infrastructure Fund	4.000	6.387	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Tourism Facilities (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Tourism Growth Partnership	(8.000)	-	-	-	-
<i>Non-Departmental Other Expenses:</i>					
Tourism Facilities Development Grants	(3.187)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Tourism Facilities (MCA)	(11.187)	-	-	-	-
Total Operating	(7.187)	6.387	0.500	0.300	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Kānoa-RDU Departmental Operating Funding Expense
Transfers and In-Principle Expense Transfers

Description: This initiative transfers \$7 million of underspends and a further \$5 million in principle from 2022/23 for Kānoa – Regional Economic Development and Investment Unit’s annual operating expenses in 2023/24.

Appropriation Changes

	Sm - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(7.000)	7.000	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(7.000)	7.000	-	-	-

* Unless non-cash, will also impact net debt.

	Sm - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Regional Development: Operational Support (funded by revenue Crown)	(7.000)	7.000	-	-	-
Total Operating	(7.000)	7.000	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

10 agree in principle to transfer up to \$5 million in the Departmental Output Expense: ‘Regional Development: Operational Support’ appropriation from 2022/23 to 2023/24 subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment’s 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Increase in the Appropriation Funding the Electricity Authority from Increased Levy Revenue

Description: In March 2023, the Minister of Energy and Resources agreed to increase the Electricity Authority’s levy funding from electricity industry participants by \$0.500 million in 2022/23 and \$4.600 million from 2023/24 onwards. This initiative provides the associated increase to the relevant appropriation. The additional funding will enable the Electricity Authority to deliver high priority workstreams, including the wholesale market review, distribution strategy, future security and resilience work, and support the transition to a low emissions economy. .

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	0.500	4.600	4.600	4.600	4.600
Total	0.500	4.600	4.600	4.600	4.600

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Energy and Resources: Electricity Industry Governance and Market Operations	0.500	4.600	4.600	4.600	4.600
Total Operating	0.500	4.600	4.600	4.600	4.600
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Increase to the Appropriation Funding the Energy Efficiency and Conservation Authority from Increased Levy Revenue

Description: In March 2023, the Minister of Energy and Resources agreed to increase the Energy Efficiency and Conservation Authority’s funding from levies from \$17.300 million to \$20.300 million per annum. The increase will be in the petroleum or engine fuel monitoring levy and will match the Government's contribution to the Low Emission Transport fund. This is to evenly share Government and sector contributions to fund more electric vehicle chargers and support the purchase of more low emission vehicles.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	3.000	3.000	3.000	3.000
Total	-	3.000	3.000	3.000	3.000

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Energy and Resources: Energy Efficiency and Conservation	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Investment in Infrastructure Projects

Description: This initiative reactivates the 'Other Activities to support Infrastructure Investments' category for the 2023/24 financial year within the Energy and Resources: Investment in Infrastructure Projects MCA.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Energy and Resources: Investment in Infrastructure Projects (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Grants to support Infrastructure Investments	-	(0.010)	-	-	-
Other Activities to support Infrastructure Investments	-	0.010	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Energy and Resources: Investment in Infrastructure Projects (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Provincial Growth Fund and Strategic Tourism Assets Protection Programme Multi-Category Appropriations

Description: This initiative reactivates the 'Grants to Support Regional and Sector Initiatives' category within the Regional Development: Provincial Growth Fund MCA for the 2024/25 through to 2026/27 financial years. The 'Tourism Investments' category within the Regional Development: Strategic Tourism Assets Protection Programme MCA and the 'Investment in Infrastructure' category within the Regional Development: Regional Investment Opportunities MCA for the 2023/24 financial year only.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Regional Development: Provincial Growth Fund (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Management of Investments in Crown-owned companies	-	-	(0.010)	(0.010)	(0.010)
<i>Non-Departmental Other Expenses:</i>					
Grants to support regional and sector initiatives	-	-	0.010	0.010	0.010
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Provincial Growth Fund (MCA)	-	-	-	-	-
Regional Development: Regional Investment Opportunities (MCA)					
<i>Non-Departmental Capital Expenditure:</i>					
Investment in Infrastructure	0.010	-	-	-	-
Investment through Crown-owned Companies	(0.010)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Regional Investment Opportunities (MCA)	-	-	-	-	-
Regional Development: Strategic Tourism Assets Protection Programme (MCA)					
<i>Non-Departmental Capital Expenditure:</i>					
Investments through Crown-owned Companies	(0.010)	-	-	-	-
Tourism Investments	0.010	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Strategic Tourism Assets Protection Programme (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Regional Strategic Partnership and Infrastructure Reference Group Funds

Description: This initiative reactivates the 'Investment through Crown-owned Companies' category within the Regional Development: Regional Strategic Partnership Fund MCA and the 'Investment through Crown-owned Companies' category within the Regional Development: Infrastructure Reference Group Fund MCA for the 2023/24 financial year only.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	(0.020)	-	-	-
Net Debt Impact Only	-	0.020	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Regional Development: Infrastructure Reference Group Fund (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Grants to support Infrastructure Projects	-	(0.010)	-	-	-
<i>Non-Departmental Capital Expenditure:</i>					
Investment through Crown-owned companies	-	0.010	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Infrastructure Reference Group Fund (MCA)	-	-	-	-	-
Regional Development: Regional Strategic Partnership Fund (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Grants to Support Regional and Sector Initiatives	-	(0.010)	-	-	-
<i>Non-Departmental Capital Expenditure:</i>					
Investment through Crown-owned companies	-	0.010	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Regional Strategic Partnership Fund (MCA)	-	-	-	-	-
Total Operating	-	(0.020)	-	-	-
Total Capital	-	0.020	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Renewable Energy in Communities and Public and Māori Housing

Description: This initiative reactivates the 'Operational Support' category for 2024/25 and outyears within the Energy and Resources: Renewable Energy in Communities and Public and Māori housing MCA.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Energy and Resources: Renewable Energy in Communities and Public and Māori housing (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Operational Support	-	-	0.010	0.010	0.010
Provision of Funding for Purchase of Renewable Energy Solutions	-	-	(0.010)	(0.010)	(0.010)
Total Multi-Category Expenses and Capital Expenditure: Energy and Resources: Renewable Energy in Communities and Public and Māori housing (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Rephasing the Circular Economy and Bioeconomy Strategy Budget
Description:	Detailed cross-agency planning of research was undertaken to ensure greatest value of investment. This has led to revised phasing to what was originally anticipated in the budget, which was heavily weighted toward Year 1 of a 3-year budget. While the research will be commissioned in Year 1, some projects will be completed in the second half of 2023. There will be no impact to deliverables of the project, or significant policy implications from rephasing, and the changes are fiscally neutral.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(0.864)	0.864	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.864)	0.864	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Economic Development: Developing a Circular Economy and Bioeconomy Strategy (funded by revenue Crown)	(0.864)	0.864	-	-	-
Total Operating	(0.864)	0.864	-	-	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Re-profile of Spend Due to Higher Demand than Expected in Year 1

Description: This initiative will re-phase funding for the retail crime subsidy scheme due to higher demand than expected in year 1. Funding of \$2.250 million for year 1 allowed for 646 Fog Canons to be installed but based on current demand trends the number of installations could be as high as 934 installations at a cost of \$3.250 million. This could lead to unappropriated expenditure if funding is not rephased.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	1.000	(1.000)	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	1.000	(1.000)	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Police: Retail Crime Subsidy Scheme	1.000	(1.000)	-	-	-
Total Operating	1.000	(1.000)	-	-	-
Total Capital	-	-	-	-	-

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Research, Science and Innovation: Innovation Trailblazer Grant 2023-2028
Description:	The scheme is intended to be launched prior to the end of the 2022/23 financial year. However, only a few seed grant applications are expected to come through, with deliverables being pushed out into the next year. Therefore, an in-principle expense transfer is proposed.

Additional Recommendation

- 11 **agree** in principle to transfer any 2022/23 underspends of up to \$25 million from the Non Departmental Other Expense 'Research, Science and Innovation: Innovation Development Grant' appropriation to the 'Research, Science and Innovation: Innovation Trailblazer Grant 2023 2028' MYA, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment's 2022/23 audited financial statements, with not impact on the operating balance and/or net debt over the forecast period;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Research, Science and Innovation: New to R&D Grant 2023-2028
Description:	There was a delay in the launch of the New to R&D Grant, and the uptake of the grant was less than expected. A Callaghan Innovation marketing campaign is intended to trigger this latent demand and have the funds committed by 30 June. This initiative provides for an in-principle transfer of programme underspends, which will be confirmed at the October Baseline Update.

Additional Recommendation

- 12 **agree** in principle to transfer any 2022/23 underspends of up to \$36.500 million from the Non-Departmental Output Expense 'Research, Science and Innovation: Targeted Business Research and Development Funding MCA: New to R&D Grant' category to the 'Research, Science and Innovation: New to R&D Grant 2023 2028' MYA, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment's 2022/23 audited financial statements, with no impact on the operating balance and/or net debt over the forecast period;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Research, Science and Innovation: R&D Project Grant 2023-2028
Description	<p>Under the Project Grant contracts that Callaghan Innovation signed prior to 30 June 2022, it committed to make payments to businesses on performance of specified R&D activities. Callaghan Innovation only incurs the expenditure relating to these commitments when the grant recipient performs the contracted activities and make claims. Joint Ministers have agreed to create a MYA to run from 1 July 2023 to 30 June 2028. Underspends are expected in 2022/23 due to fewer grant claims being made than forecast. This initiative provides for an in-principle transfer of these underspends to the R&D Project Grant 2023-2028 MYA to allow MBIE and Callaghan Innovation to meet claims against the commitments in the years in which they arise.</p>

Additional Recommendation

- 13 **agree** in principle to transfer any 2022/23 underspends of up to \$10 million from the Non Departmental Output Expense 'Research, Science and Innovation: Targeted Business Research and Development Funding MCA R&D Project Grant' category to the 'Research, Science and Innovation: R&D Project Grant 2023 2028' MYA, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment's 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Research, Science and Innovation: Technology Incubator Programme 2023-2027
Description:	Due to a combination of COVID-19, a delay in finalising the contract terms, and relatively strong capital markets, the uptake of the Technology Incubator programme over this period has been lower than anticipated. This led to a delay in expenditure of the allocated funds. Therefore, an in-principle expense transfer is proposed to allow MBIE and Callaghan Innovation to fund grant claims as they arise .

Additional Recommendation

- 14 **agree** in principle to transfer any 2022/23 underspends of up to \$20 million from the Non-Departmental Output Expense 'Research, Science and Innovation: Repayable Grants for Start Ups' appropriation to the 'Research, Science and Innovation: Technology Incubator Programme 2023 2027' MYA, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment's 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Small Business Digital Enablement Programme
Description:	<p>To extend the Small Business Digital Enablement Programme by reprioritising current unspent programme funds (from halting initiatives) for 2022/23 and extend the operations of the established and successful parts of the programme until December 2024.</p> <p>The extension and continuation of the Digital Boost programme also requires an in-principle expense transfer from the 2022/23 year to 2023/24 as a programme contingency. This funding will be used to continue low-level marketing for the Digital Boost Educate site and for unforeseen software development work required to maintain the site (or checkable Tool).</p>

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(12.220)	7.960	4.260	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(12.220)	7.960	4.260	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Small Business: Digital Enablement of Small Business (MCA)					
<i>Departmental Output Expenses:</i>					
Small Business: Digital Enablement Programme Design, and Management (funded by revenue Crown)	-	1.000	0.500	-	-
<i>Non-Departmental Output Expenses:</i>					
Small Business: Digital Enablement Small Business and Provider Funding and Services	(12.220)	6.960	3.760	-	-
Total Multi-Category Expenses and Capital Expenditure: Small Business: Digital Enablement of Small Business (MCA)	(12.220)	7.960	4.260	-	-
Total Operating	(12.220)	7.960	4.260	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

- 15 **agree** in principle to transfer any 2022/23 underspends of up to \$0.500 million from 2022/23 to 2023/24 for the 'Small Business: Digital Enablement of Small Business MCA Small Business: Digital Enablement Small Business and Provider Funding and Services' category, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the completion of the Ministry of Business, Innovation and Employment's 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Tourism Innovation Fund
Description:	The Tourism Innovation Fund and administration costs will cover multiple financial years and will require an expense transfer to avoid breaching in 2023/24 financial year. The investment decisions and amounts are yet to be finalised due to multiple ongoing investment rounds.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	(51.500)	30.000	21.500	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(51.500)	30.000	21.500	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Tourism: Tourism Fund Management (funded by revenue Crown)	(3.500)	2.000	1.500	-	-
Non-Departmental Output Expenses:					
Tourism: COVID-19 Tourism Response	(48.000)	28.000	20.000	-	-
Total Operating	(51.500)	30.000	21.500	-	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Transfer Remaining Funding from the Infrastructure Reference Group MYA to New MCA

Description: In 2021/22 Kānoa-RDU consolidated its appropriation structure to simplify and streamline the funding that it administers. These fiscally neutral transfers are requesting to move all remaining funding from the old MYA appropriations to the new MCA established effective 1st July 2022

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	0.587	(0.587)	-	-	-
Net Debt Impact Only	9.427	(9.427)	-	-	-
No Impact	-	-	-	-	-
Total	10.014	(10.014)	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Economic and Regional Development: Operational support for Grants and Crown investments (MYA) (funded by revenue Crown)	-	(0.587)	-	-	-
Regional Development: Operational Support (funded by revenue Crown)	0.587	-	-	-	-
Non-Departmental Other Expenses:					
Economic and Regional Development: Supporting Infrastructure Projects (MYA)	(2.834)	-	-	-	-
Non-Departmental Capital Expenditure:					
Economic and Regional Development: Investment in Crown-owned Companies for Infrastructure (MYA)	-	(9.427)	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Regional Development: Infrastructure Reference Group Fund (MCA)					
<i>Non-Departmental Other Expenses:</i>					
Grants to support Infrastructure Projects	2.834	-	-	-	-
<i>Non-Departmental Capital Expenditure:</i>					
Investment through Crown-owned companies	9.427	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Regional Development: Infrastructure Reference Group Fund (MCA)	12.261	-	-	-	-
Total Operating	0.587	(0.587)	-	-	-
Total Capital	9.427	(9.427)	-	-	-

Additional Recommendations

- 16 **agree** the Multi Year Appropriation: "Economic and Regional Development: Investment in Crown-owned Companies for Infrastructure" is adjusted by \$(9.427) million;
- 17 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Economic and Regional Development: Investment in Crown-owned Companies for Infrastructure" reflect the change to the indicative annual spending profile;
- 18 **agree** the Multi Year Appropriation: "Economic and Regional Development: Supporting Infrastructure Projects" is adjusted by \$(2.834) million;
- 19 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Economic and Regional Development: Supporting Infrastructure Projects" reflect the change to the indicative annual spending profile;

- 20 **agree** the Multi Year Appropriation: "Economic and Regional Development: Operational support for Grants and Crown investments" is adjusted by \$(0.587) million;
- 21 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Economic and Regional Development: Operational support for Grants and Crown investments" reflect the change to the indicative annual spending profile;

Vote:	Business, Science and Innovation
Appropriation Administrator:	Ministry of Business, Innovation and Employment
Title:	Update Balance of Multi-year Appropriation to Reflect 2021/22 Underspend
Description:	A technical adjustment was approved and reflected in the 2021/22 Supplementary Estimates to balance the 2021/22 MYA to the estimated out-turn. The final actual expenditure in 2021/22 was \$0.050 million less than forecast in the estimated out-turn. Therefore \$0.050 million needs to be added back to increase the MYA back to the approved amount.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	0.050	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.050	-	-	-

* Unless non-cash, will also impact net debt.

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Economic and Regional Development: Operational support for Grants and Crown investments (MYA) (funded by revenue Crown)	-	0.050	-	-	-
Total Operating	-	0.050	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 22 **agree** the Multi Year Appropriation: "Economic and Regional Development: Operational support for Grants and Crown investments" is adjusted by \$0.050 million; and
- 23 **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Economic and Regional Development: Operational support for Grants and Crown investments" reflect the change to the indicative annual spending profile.