



COVERSHEET

Minister	Hon Dr Megan Woods	Portfolio	Research, Science and Innovation
Title of Cabinet paper	Maintaining Momentum in Research, Science and Innovation: Reprioritisation of Funding	Date to be published	5 February 2020

List of documents that have been proactively released

Date	Title	Author
19 July 2019	Maintaining Momentum in Research, Science and Innovation: Reprioritisation of Funding	Office of the Minister of Research, Science and Innovation
24 July 2019	Cabinet Economic Development Committee: Minute of Decision	Cabinet Office

Information redacted

YES / NO

Some information has been withheld because it relates to issues that are still under active consideration by the Government.

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Cabinet Economic Development Committee

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.

Maintaining Momentum in Research, Science and Innovation: Reprioritisation of Funding

Portfolio Research, Science and Innovation

On 24 July 2019, the Cabinet Economic Development Committee:

- 1 **agreed** to invest in the following initiatives to support Research, Science and Innovation goals, with reprioritised amounts from the Research, Science and Innovation portfolio, as outlined below:
 - 1.1 a space research initiative,
 - 1.2 an international science partnership with Germany;
 - 1.3 diversity and engagement with science;
 - 1.4 supporting the Prime Minister's Chief Science Advisor;
 - 1.5 advanced aviation technologies;
 - 1.6 technology incubators;
 - 1.7 Callaghan Innovation HealthTech Activator;
 - 1.8 Callaghan Innovation cost pressures;

Operating Initiatives (Impact on Operating Balance)

Ref.	Initiative	\$m – increase/(decrease)			
		2019/20	2020/21	2021/22	2022/23
Vote Business, Science and Innovation					
1.	Diversity and engagement with science	1.500	1.500	1.500	1.500
2.	Space research initiative	4.000	4.000	14.000	4.000
3.	International partnership programme with Germany	5.500	7.500	7.500	7.500
4.	Technology incubators	-	3.000	3.000	3.000
5.	Callaghan Innovation HealthTech Activator	0.500	0.500	0.500	0.500
6.	Supporting the Prime Minister's Chief Science Advisor	0.500	0.500	0.500	0.500
7.	Callaghan Innovation cost pressures	2.000	3.500	-	-
8.	Projected underspend from the Research and Development Growth Grants (MYA Expense) appropriation	(34.490)	-	-	(8.740)
9.	Projected unallocated funding from the Regional Research Institutes appropriation	(4.000)	(0.500)	-	-
10.	Projected underspend from the Partnered Research Fund appropriation	(1.910)	(6.000)	(7.000)	(8.260)
11.	Underspend from the Science and Innovation: Repayable Grants for Start Ups appropriation	(23.100)	-	-	-
12.	Additional cost of R&D tax incentive changes to be met from Growth Grant Appropriation	-	-	-	(57.000)
Vote Transport					
13.	Transport - Automatic Dependent Surveillance – Broadcast (ADS-B) transponders	4.250	4.125	4.125	-
14.	Civil Aviation Authority (CAA) capability to support drone integration work programme	0.700	0.700	0.700	-
15.	Ministry of Transport (MoT) capability to support drone integration work programme	0.300	0.300	0.300	-
Total Operating		(44.250)	19.125	25.125	(57.000)

- 2 **agreed** to establish an ADS-B rebate scheme for the purpose of incentivising the uptake of ADS-B transponders for the owners of aircraft that operate in controlled airspace in New Zealand below flight level 24,500 feet;

- 3 **agreed** to establish the following new multi-year appropriation for the ADS-B rebate scheme to run from 01 August 2019 to 30 June 2022:

Vote	Appropriation Minister	Title	Type	Scope	Vote
Vote Transport	Minister of Transport	Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme (MYA)	Non-departmental Other Expense	This appropriation is limited to rebates for the Automatic Dependent Surveillance – Broadcast (ADS-B) transponders rebate scheme to aircraft operators required to fit such equipment.	Vote Transport

- 4 **agreed** to establish the following new appropriation for the administration of the ADS-B rebate scheme:

Vote	Appropriation Minister	Title	Type	Scope
Vote Transport	Minister of Transport	Administration of the Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme	Non-departmental Output Expense	This appropriation is limited to expenses incurred in the administration of the Automatic Dependent Surveillance – Broadcast transponders rebate scheme.

- 5 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 1 above, with no impact on the operating balance over the forecast period:

Vote Business, Science and Innovation Minister for Research, Science and Innovation	\$m – increase/(decrease)			
	2019/20	2020/21	2021/22	2022/23
Non-departmental Output Expenses: Research, Science and Innovation: Partnered Research Fund	(1.910)	(6.000)	(7.000)	(8.260)
Research and Development Growth Grants (MYA)	(34.490)	-	-	(65.74)
Science and Innovation: Repayable Grants for Start-Ups	(23.100)	3.000	3.000	3.000
Non-departmental Other Expenses: Research, Science and Innovation: Catalyst Fund	7.000	9.000	9.000	9.000
Research, Science and Innovation: Regional Research Institutes	(4.000)	(0.500)	-	-
Multi-Category Expenses and Capital Expenditure: Research, Science and Innovation: Callaghan Innovation – Operations MCA <i>Non-departmental Output Expense</i> Building Business Innovation	2.500	4.000	0.500	0.500
Research, Science and Innovation: Talent and Science Promotion MCA <i>Non-departmental Output Expense</i> Science in Society	2.000	2.000	2.000	2.000
Strategic Science Investment Fund (MCA) <i>Non-departmental Output Expense</i> Strategic Science Investment Fund – Infrastructure	2.000	2.000	12.000	2.000

Vote Business, Science and Innovation Minister of Economic Development				
Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA <i>Departmental Output Expense</i> Policy Advice – Economic Development	0.500	0.500	0.500	0.500
Vote Transport Minister of Transport				
Non-departmental Output Expenses Administration of the Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme	0.250	0.125	0.125	-
Non-departmental Other Expenses Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme (MYA)	4.000	4.000	4.000	-
Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs MCA <i>Departmental Output Expense</i> Policy Advice (funded by revenue Crown)	0.300	0.300	0.300	
Policy Advice and Related Outputs – Civil Aviation MCA <i>Non-departmental Other Expense</i> Improving Safety in the Aviation Sector	0.700	0.700	0.700	
Total Operating	(44.250)	19.125	25.125	(57.000)

- 6 **noted** that the multi-year appropriation Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme in Vote Transport is established at \$12.000 million;
- 7 **noted** that the profile for the multi-year appropriation Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme in Vote Transport in the appropriation table in paragraph 5 above is the indicative spending profile;
- 8 **agreed** that the Minister of Transport be responsible for decisions on the form of a rebate scheme to support the transition to ADS-B, including eligibility criteria and how the scheme will operate;
- 9 **noted** that the Minister of Transport and the Minister of Finance may, acting jointly, re-profile funding between the ADS-B Transponders Rebate Scheme appropriation and the ADS-B Transponders Rebate Scheme Administration appropriation, if required to ensure the scheme is administered appropriately;
- 10 **agreed** that the remaining funding in the Research and Development Growth Grants appropriation from the FY2023/2024 and onwards be returned and any initiatives considered through the Budget process;
- 11 **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.

Janine Harvey
Committee Secretary

Hard-copy distribution: (see over)

Present:

Rt Hon Winston Peters
Hon Kelvin Davis
Hon Grant Robertson (Chair)
Hon Phil Twyford
Hon Dr Megan Woods
Hon Chris Hipkins
Hon David Parker
Hon Nanaia Mahuta
Hon Stuart Nash
Hon Iain Lees-Galloway
Hon Jenny Salesa
Hon Shane Jones
Hon James Shaw
Hon Eugenie Sage

Officials present from:

Officials Committee for DEV

Hard-copy distribution:

Minister of Research, Science and Innovation

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