



BRIEFING

Imprest Supply Submission: Vote Business, Science and Innovation – Regional Economic Development Portfolio

Date:	12 July 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	0047 19-20

Action sought		
	Action sought	Deadline
Hon Shane Jones Minister for Regional Economic Development	Review and approve authority to meet expenditure from Imprest Supply for the proposed appropriations.	17 July 2019
	Sign the Imprest Supply submission for Vote Business, Science and Innovation – Regional Economic Development Portfolio and forward to the Minister of Finance	

Contact for telephone discussion (if required)				
Name	Position	Telephone		1st contact
Karen Walfisch	General Manager Strategy and Governance		Privacy of natural persons	
Jo-Anne Taylor	Manager Finance Business Partnering, Provincial Development Unit		Privacy of natural persons	✓

The following departments/agencies have been consulted

The Treasury

Minister's office to complete:

<input type="checkbox"/> Approved	<input type="checkbox"/> Declined
<input type="checkbox"/> Noted	<input type="checkbox"/> Needs change
<input type="checkbox"/> Seen	<input type="checkbox"/> Overtaken by Events
<input type="checkbox"/> See Minister's Notes	<input type="checkbox"/> Withdrawn

Comments



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Purpose

This briefing seeks your approval to meet expenditure from Imprest Supply for the appropriations in Vote Business, Science and Innovation, for which you are responsible, and provide the Imprest Supply submission to the Minister of Finance. This will ensure that expenses may be incurred in advance and excess of the amounts appropriated in the Appropriation (2019/20 Estimates) Bill.

Recommended action

The Ministry of Business, Innovation and Employment (MBIE) recommends that you:

- a **Note** that in June 2019 Joint Ministers previously approved an in-principle expense transfer (IPECT) from 2018/19 to 2019/20 for the *Regional Economic Development: Fair Value Write Down* appropriation of up to \$36.000 million to provide for potential delays in the negotiation and signing of loan agreements which are expected to occur later than originally phased.
- Noted*
- b **Note** that early confirmation of a partial amount of the available expense transfer in the *Regional Economic Development: Fair Value Write Down* appropriation is required to avoid risk of unappropriated expenditure in 2019/20.
- Noted*
- c **Agree** an expense transfer of \$^{Commercial Information} from 2018/19 to 2019/20 in the *Regional Economic Development: Fair Value Write Down* appropriation.
- Agree/ Not agreed*
- d **Note** that in the “Enabling continued delivery of the Provincial Growth Fund” briefing [3900 18-19 dated 17/06/2019] Joint Ministers approved two fiscally neutral adjustments for 2019/20 within the *Regional Economic Development: Provincial Growth Fund MCA*:
- \$^{Commercial Information} from *Supporting Regional and Sector Initiatives to Provincial Growth Fund Investment Management*
 - \$^{Commercial Information} from *Supporting Capital Projects to Provincial Growth Fund Limited Capital Investment*.
- Noted*
- e **Note** that Joint Ministers agreement is necessary for expenses against the two categories *Provincial Growth Fund Investment Management* and *Provincial Growth Fund Limited Capital Investment* to be met through Imprest Supply.
- Noted*

f **Agree** to meet expenditure from Imprest Supply for the following appropriations in 2019/20 to avoid the risk of unappropriated expenditure:

- \$^{Commercial Information} for *Regional Economic Development: Fair Value Write Down*
- \$^{Commercial Information} for *Regional Economic Development: Provincial Growth Fund MCA – Provincial Growth Fund Investment Management*
- \$^{Commercial Information} for *Regional Economic Development: Provincial Growth Fund MCA – Provincial Growth Fund Limited Capital Investment*

Agree/ Not Agreed

g **Agree** that the proposed changes to these appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.

Agree/ Not agreed

h **Agree** to forward the signed Imprest Supply submission for this Portfolio to the Minister of Finance's office by 17 July 2019.

Agree/ Not agreed

Karen Walfisch
**General Manager Strategy and
Governance**

..... / 07/ 2019

Hon Shane Jones
**Minister for Regional Economic
Development**

..... / 07 / 2019

Background

1. This briefing seeks your approval to include changes to appropriations in Vote Business, Science and Innovation – Regional Economic Development Portfolio for which you are responsible.
2. Content if approved by you has been included in the Imprest Supply submission attached for your sign-off in Annex A. *Annex A withheld - Commercial Information*

Regional Economic Development Portfolio

Regional Economic Development: Fair Value Write Down

3. During the June 2019 IPECT process, an IPECT request for the *Regional Economic Development: Fair Value Write Down* appropriation of up to \$36.000 million was submitted and approved.
4. The \$36.000 million of funding cannot be accessed by MBIE until after its 2018/19 financial statements have been audited, and the IPECT will be confirmed through the 2019 October Baseline Update (OBU) process.
5. There is currently no baseline in 2019/20 for the *Regional Economic Development: Fair Value Write Down* appropriation and it is anticipated that concessionary loans will be granted before the IPECT is confirmed at OBU.
6. Accordingly, in order to avoid the risk of unappropriated expenditure MBIE seeks your approval to provide early confirmation of the IPECT so MBIE can fund expenditure of up to \$*Commercial Information* for the *Regional Economic Development: Fair Value Write Down* appropriation from Imprest Supply in accordance with paragraph [45] of CO(18)2.

PGF Limited Funding Transfers

7. In the “Enabling continued delivery of the Provincial Growth Fund” briefing [3900 18-19 dated 17/06/2019] Joint Ministers approved two fiscally neutral adjustments for 2019/20 within the *Regional Economic Development: Provincial Growth Fund MCA*:
 - \$*Commercial Information* from *Supporting Regional and Sector Initiatives to Provincial Growth Fund Investment Management*, and
 - \$*Commercial Information* from *Supporting Capital Projects to Provincial Growth Fund Limited Capital Investment*.
8. When the two fiscally neutral adjustments were requested a recommendation to meet the increase from Imprest Supply was not requested.
9. There is currently no baseline in 2019/20 for the *Provincial Growth Fund Investment Management* and *Provincial Growth Fund Limited Capital Investment* categories, and authority for Imprest Supply is required in such a situation.
10. Accordingly, in order to avoid the risk of unappropriated expenditure MBIE seeks your approval to fund expenditure of up to \$*Commercial Information* for the *Provincial Growth Fund Investment Management* category and \$*Commercial Information* for the *Provincial Growth Fund Limited Capital Investment* category which will be met from Imprest Supply.

Next steps

11. Subject to your approval the Imprest Supply submission for Vote Business, Science and Innovation – Regional Economic Development Portfolio as set out in Annex A should be provided to the Minister of Finance’s office by 17 July 2019. *Annex A withheld - Commercial Information*

12. Please also return the signed copy of this briefing to MBIE by 17 July 2019.

Annexes

Annex A: Imprest Supply submission: Vote Business, Science and Innovation – Regional Economic Development Portfolio **Withheld - Commercial Information**