



## COVERSHEET

|                               |  |                             |                                  |
|-------------------------------|--|-----------------------------|----------------------------------|
| <b>Minister</b>               | Hon Dr Megan Woods   | <b>Portfolio</b>            | Research, Science and Innovation |
| <b>Title of Cabinet paper</b> | Transfer of Funds to Support Business Research and Development | <b>Date to be published</b> | 21 July 2022                     |

### List of documents that have been proactively released

| <b>Date</b>   | <b>Title</b>   | <b>Author</b>  |
|---------------|--|--|
| March 2022    | Transfer of Funds to Support Business Research and Development                           | Office of the Minister of Research, Science and Innovation |
| 30 March 2022 | Transfer of Funds to Support Business Research and Development<br>DEV-22-MIN-0061 Minute | Cabinet Office   |

### Information redacted

**NO**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



# 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.*

### Transfer of Funds to Support Business Research and Development

**Portfolio**                      **Research, Science and Innovation**

On 30 March 2022, the Cabinet Economic Development Committee:

- 1        **noted** that in the 2020/21 year-end accruals, \$127.501 million was reported against the *Research and Development Growth Grants* multi-year appropriation;
- 2        **noted** that Callaghan Innovation over-accrued \$17 million in the *Research and Development Growth Grants* multi-year appropriation in 2020/21, that is, actual payments were \$17 million less than the amount that had been accrued;
- 3        **noted** that as a result of the over-accrual, \$17 million from the *Research and Development Growth Grants* multi-year appropriation was not used to make actual payments to R&D-performing businesses in 2020/21, and will be returned to the centre;
- 4        **noted** that:
  - 4.1      due to excess demand for Project and Student Grants, Callaghan Innovation has projected a potential deficit in the *Targeted Business Research and Development Funding* multi-year appropriation;
  - 4.2      the Minister of Finance and the Minister of Research, Science and Innovation had previously agreed to reprioritise unspent funds in the *Research and Development Growth Grants* multi-year appropriation to cover this potential deficit;
- 5        **agreed** to allocate \$17 million to the *Targeted Business Research and Development Funding* multi-year appropriation;
- 6        **approved** the following change to give effect to the policy decision in paragraph 5 above, with a corresponding impact on the operating balance;

| Vote Business, Science and Innovation<br>Minister of Research, Science and Innovation   | \$m – increase/(decrease) |         |         |         |                    |
|---|---------------------------|---------|---------|---------|--------------------|
|   | 2021/22                   | 2022/23 | 2023/24 | 2024/25 | 2025/26 & Outyears |
| Non-departmental Output Expenses:<br>Research, Science and Innovation: Targeted Business Research and Development Funding MYA | 17.000                    | -       | -       | -       | -                  |

- 7 **agreed** that the changes to the appropriations for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 8 **noted** that the impact of the expenses incurred under paragraph 5 above is too large to be charged against the between Budget contingency established as part of Budget 2021;
- 9 **agreed** that the expenses incurred under paragraph 5 above be charged as a pre-commitment against the Budget 2022 operating allowance;
- 10 **authorised** the Minister of Finance and the Minister of Research, Science and Innovation to jointly:
- 10.1 make any decisions required relating to the accounting treatment of the transferred funds;
- 10.2 make decisions to transfer any remaining funds in the *Targeted Business Research and Development Funding* multi-year appropriation, which expires at the end of 2021/22, to the new annual appropriation that will fund similar grants from 2022/23.

Janine Harvey  
Committee Secretary

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**Present:**

Hon Grant Robertson (Chair)  
Hon Dr Megan Woods  
Hon David Parker  
Hon Poto Williams  
Hon Damien O'Connor  
Hon Stuart Nash  
Hon Michael Wood  
Hon Dr David Clark  
Hon Meka Whaitiri  
Hon Phil Twyford  
Rino Tirikatene, MP

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV