



Minister for Regional Development

Regional Development portfolio

Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2023

Foreword

Ministers are responsible for reporting the financial and non-financial performance of non-departmental appropriations to Parliament. This report provides information about the year-end performance results of non-departmental appropriations that have not been included in any other reports to Parliament.

This report provides the 1 July 2022 - 30 June 2023 results of relevant non-departmental appropriations for the Regional Development portfolio within Vote Business, Science and Innovation. The relevant appropriations are:

Multi Category Appropriations

- *Provincial Growth Fund MCA*
- *Infrastructure Reference Group Fund MCA*
- *Regional Investment Opportunities MCA*
- *Regional Strategic Partnership Fund MCA*
- *Strategic Tourism Assets Protection Programme MCA*

Non-Departmental Other Expenses

- *Economic and Regional Development: Worker Redeployment Package*
- *Supporting Infrastructure Projects MYA*
- *Payments and Expenses in Respect of Guarantees and Indemnities for North Island Weather Events response PLA*



Hon Kieran McAnulty
Minister for Regional Development

Statements of Performance

Non-Departmental Multi Category Appropriations

Economic and Regional Development: Provincial Growth Fund (Multi-Category Appropriation)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to achieve the outcome of a lift in the productivity potential in the regions.

Category - Management of Investments in Crown-owned companies

Scope of Category

This category is limited to the establishment, administration and management of Crown-owned companies and their subsidiaries funded from the Provincial Growth Fund.

Intention Statement

This category is intended to achieve the effective delivery and management of the funds administered by Crown Regional Holdings Limited.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	1,909	1,909

This new category within the Provincial Growth Fund MCA replaced the category Provincial Growth Fund Investment Management - Crown Regional Holdings Limited from 1st January 2023.

Category - Provincial Growth Fund Investment Management - Crown Regional Holdings Limited

Scope of Category

This category is limited to the establishment, administration and management of Provincial Growth Fund investments by Crown Regional Holdings Limited (CRHL) and Provincial Growth Fund Limited (PGFL) and their subsidiaries.

Intention Statement

This category is intended to achieve the effective delivery and management of Provincial Growth Fund investments by entities, including Crown Regional Holdings Limited (CRHL) and the Provincial Growth Fund (PGFL) and their subsidiaries.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	4.3	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5 which is a 0.2 improvement on the prior year.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	2,200	2,000	1,909	1,909

This category within the Provincial Growth Fund MCA was replaced by the new category Management of Investments in Crown-owned companies from 1st January 2023.

Category - Grants to support regional and sector initiatives

Scope of Category

This category is limited to supporting regional economic development through regional, sectoral and infrastructure initiatives, including feasibility studies, and initiatives to build skills, capability and capacity in regions.

Intention Statement

This category is intended to achieve the support of regional economic development by providing grant funding to regional, sectoral and infrastructure initiatives that lift regional productivity potential.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%

This new category within the Provincial Growth Fund MCA replaced the category Supporting Regional and Sector Initiatives from 1st January 2023.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	106,533	41,738

This category was underspent due to grant recipients taking longer to achieve payment milestones agreed within the grant contracts.

Category - Supporting Regional and Sector Initiatives

Scope of Category

This category is limited to supporting regional economic development through regional, sectoral and infrastructure initiatives, including feasibility studies, and initiatives to build skills, capability and capacity in regions.

Intention Statement

This category is intended to achieve the support of regional economic development by providing grant funding to regional, sectoral and infrastructure initiatives that lift regional productivity potential.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%

This category within the Provincial Growth Fund MCA was replaced by the new category Grants to support regional and sector initiatives from 1st January 2023.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	171,323	140,000	59,184	59,184

This category was replaced part way through the financial year and any unspent funding was transferred to the new category Grants to support regional and sector initiatives from 1st January 2023.

Category - Investment through Crown-owned companies

Scope of Category

This category is limited to Crown investment in Crown-owned companies and their subsidiaries funded from the Provincial Growth Fund.

Intention Statement

This category is intended to achieve the support of regional economic development by providing capital funding to regional, sectoral and infrastructure initiatives that lift regional productivity potential.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	77,319	27,319

This new category within the Provincial Growth Fund MCA replaced the category Provincial Growth Fund Limited Capital Investment. The category was underspent due to loan recipients drawing down funding slower than anticipated.

Economic and Regional Development: Infrastructure Reference Group (Multi-Category Appropriation)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support regional economic growth through the Infrastructure Reference Group Fund.

Category - Grants to support Infrastructure Projects

Scope of Category

This category is limited to operating expenses on infrastructure projects relating to COVID-19 Response and Recovery Fund -Infrastructure Reference Group Fund that support economic growth.

Intention Statement

This category is intended to achieve the support of regional economic development by providing grant funding for infrastructure initiatives that lift regional productivity potential.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The number of monthly reports to Crown Infrastructure partners on Regional Economic Development & Investment Unit managed infrastructure projects	-	12	12

During the 2022/23 financial year Crown Infrastructure Partners (CIP) received 12 monthly reports on the infrastructure investment portfolio as set out in the performance measures.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	113,855	48,505

This new category within the Infrastructure Reference Group MCA replaced the old Supporting Infrastructure Projects MYA from 1st January 2023. This category was underspent due to grant recipients taking longer to achieve payment milestones agreed within the grant contracts.

Category - Investment through Crown-owned companies

Scope of Category

This category is limited to Crown investment in Crown-owned companies and their subsidiaries relating to COVID-19 Response and Recovery Fund - Infrastructure Reference Group Fund.

Intention Statement

This category is intended to achieve the holding of the Crown's infrastructure-related investments by Crown Regional Holdings Limited. The purpose of the investments is to reduce the economic impact of the COVID-19 on the construction industry.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	22,013	22,013

This new category within the Infrastructure Reference Group MCA replaced the old Investment in Crown-owned Companies for Infrastructure MYA from 1st January 2023. This category was fully drawn by 30 June 2023.

Economic and Regional Development: Regional Investment Opportunities (Multi-Category Appropriation)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to invest in regional infrastructure projects which support employment opportunities in the regions.

Category - Investment in Infrastructure

Scope of Category

This category is limited to the capital expenditure on the infrastructure projects identified through Regional Infrastructure Opportunities Fund.

Intention Statement

This category is intended to achieve Infrastructure projects identified through Regional Infrastructure opportunities Fund.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	10	-

Category - Investment through Crown-owned Companies

Scope of Category

This category is limited to Crown Investments in Crown-owned companies and their subsidiaries relating to Regional Infrastructure Opportunities Fund.

Intention Statement

This category is intended to achieve the holding of the Crown's Regional Investment Opportunities investments by Crown Regional Holdings Limited.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	18,442	18,452

This new category within the Regional Investment Opportunities MCA replaced the old Capital Investments appropriation from 1st January 2023. This category was fully drawn by 30 June 2023 and offset against the category Investment in Infrastructure.

Economic and Regional Development: Regional Strategic Partnership Fund (Multi-Category Appropriation)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to foster productive, resilient, inclusive, sustainable, and Māori-enabling regional economies.

Category - Grants to Support Regional and Sector Initiatives

Scope of Category

This category is limited to identifying regional priorities and grant funding of projects aligned with regional priorities to implement the Regional Strategic Partnership Fund.

Intention Statement

This category is intended to achieve strong regional strategic partnerships within each region, progress regional economic development action plans and identify regional priorities. The category will hold grant funding for regions to invest in identified regional priorities.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	31,945	25,000	780

This category was underspend due to fewer grants being approved from the Regional Strategic Partnership Fund than originally anticipated.

Category - Investment through Crown-owned companies

Scope of Category

This category is limited to investment in Crown-owned companies and their subsidiaries funded from the Regional Strategic Partnership Fund.

Intention Statement

This category is intended to achieve the holding of the Crown's Regional Strategic Partnership Fund investments by Crown Regional Holdings Limited. The purpose of the investments is to improve regional economic and business development, accelerate Māori economic aspirations and support sector transformations.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	133,055	140,000	42,181

The category was underspent due to loan recipients drawing down funding slower than anticipated.

Category - Supporting regionally significant firms impacted by Cyclone Gabrielle

Scope of Category

This category is limited to providing loans to support regionally significant firms impacted by Cyclone Gabrielle from the Regional Strategic Partnership Fund.

Intention Statement

This category is intended to achieve the holding of the Crown's Regional Strategic Partnership Fund investments by Crown Regional Holdings Limited for regionally significant firms impacted by Cyclone Gabrielle.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	20,000	20,000

This category was established part way through the year to provide support funding for regionally significant firms impacted by the North Island weather events. The funding was fully drawn in 2022/23.

Economic and Regional Development: Strategic Tourism Assets Protection Programme (Multi-Category Appropriation)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to invest in tourism-related initiatives to mitigate the economic impact of COVID-19.

Category - Investments through Crown-owned Companies

Scope of Category

This category is limited to investments in Crown-owned companies and their subsidiaries for tourism related projects.

Intention Statement

This category is intended to achieve the holding of the Crown's Strategic Tourism Assets Protection Programme investments by Crown Regional Holdings Limited.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	52,990	53,000

This category was fully drawn by 30 June 2023 and offset against the category Tourism Investments.

Category - Tourism Investments

Scope of Category

This category is limited to capital expenditure for tourism-related initiatives.

Intention Statement

This category is intended to provide capital funding for tourism-related initiatives.

Assessment of Performance

Non-financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	-	Average score of 4 out of 5 or better	4.5

The Directors of Crown Regional Holdings Limited completed a survey in July 2023 which measured their satisfaction with the agreed services level provided during the 2022/23 financial year. The results indicated a satisfaction score of 4.5 out of 5.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	10	-

Non-Departmental Other Expenses

Economic and Regional Development: Worker Redeployment Package

Scope of Appropriation

This appropriation is limited to the support package for worker redeployment and training.

Intention Statement

This appropriation is intended to achieve employment and training opportunities for people displaced by the COVID-19 economic crisis.

Assessment of Performance

Non-Financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	5,702	-	1,848	582

This category was underspent due to grant recipients taking longer to achieve payment milestones agreed within the grant contracts.

Economic and Regional Development: Supporting Infrastructure Projects MYA

Scope of Appropriation

This appropriation is limited to operating expenses on infrastructure projects that support economic growth.

Commences: 01 July 2020

Expires: 30 June 2025

Intention Statement

This appropriation is intended to achieve the support of regional economic development by providing operational funding for infrastructure initiatives that lift regional productivity potential.

Assessment of Performance

Non-Financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%
The number of monthly reports to Crown Infrastructure partners on Regional Economic Development & Investment Unit managed infrastructure projects	-	12	12

During the 2022/23 financial year Crown Infrastructure Partners (CIP) received 12 monthly reports on the infrastructure investment portfolio as set out in the performance measures.

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	174,301	243,465	67,166	67,166

This category was fully drawn by 30 June 2023.

Economic and Regional Development: Payments and Expenses in Respect of Guarantees and Indemnities for North Island Weather Events response PLA

Scope of Appropriation

This appropriation is limited to any money paid by the Crown under, and any expenses incurred by the Crown in relation to, a guarantee or indemnity given under section 65ZD of the Public Finance Act 1989 as authorised by section 65ZG of that Act.

Intention Statement

This appropriation is intended to achieve the provision of funding for any expenditure incurred as a result of any guarantees and indemnities for North Island Weather events.

Assessment of Performance

Non-Financial

Performance Measure	2021/22 Actual Standard	2022/23 Budgeted Standard	2022/23 Actual Standard
Percentage of contracts monitored against their milestones and reporting requirements	-	100%	100%

Financial

Expenses (\$000)	2021/22 Actual	2022/23 Estimates	2022/23 Supplementary Estimates	2022/23 Actual
Total Appropriation	-	-	2,250	1,522

This PLA was established part way through the financial year to provide for a shipping route between Napier and Gisborne to move freight from regions with infrastructure impacted by North Island weather events. The funding provided was \$2.250m but the cost of providing the service came to \$1.522m.