

# Briefing for the incoming Minister Responsible for the Ministry of Business, Innovation and Employment

27 November 2023



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# 1. Introduction

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## Welcome

1. Congratulations on your appointment as Minister for Economic Development and Minister for Media and Communication.
2. By virtue of your appointment as Minister for Economic Development, you are also the Minister responsible for the Ministry of Business, Innovation and Employment (MBIE), commonly referred to as the “Ownership Minister”.

## Purpose

3. This briefing provides an overview of MBIE and outlines your role as Ownership Minister. It should be read in conjunction with the Economic Development portfolio briefing.
4. Further briefings will be provided to you, guided by your priorities.

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## 2. Overview

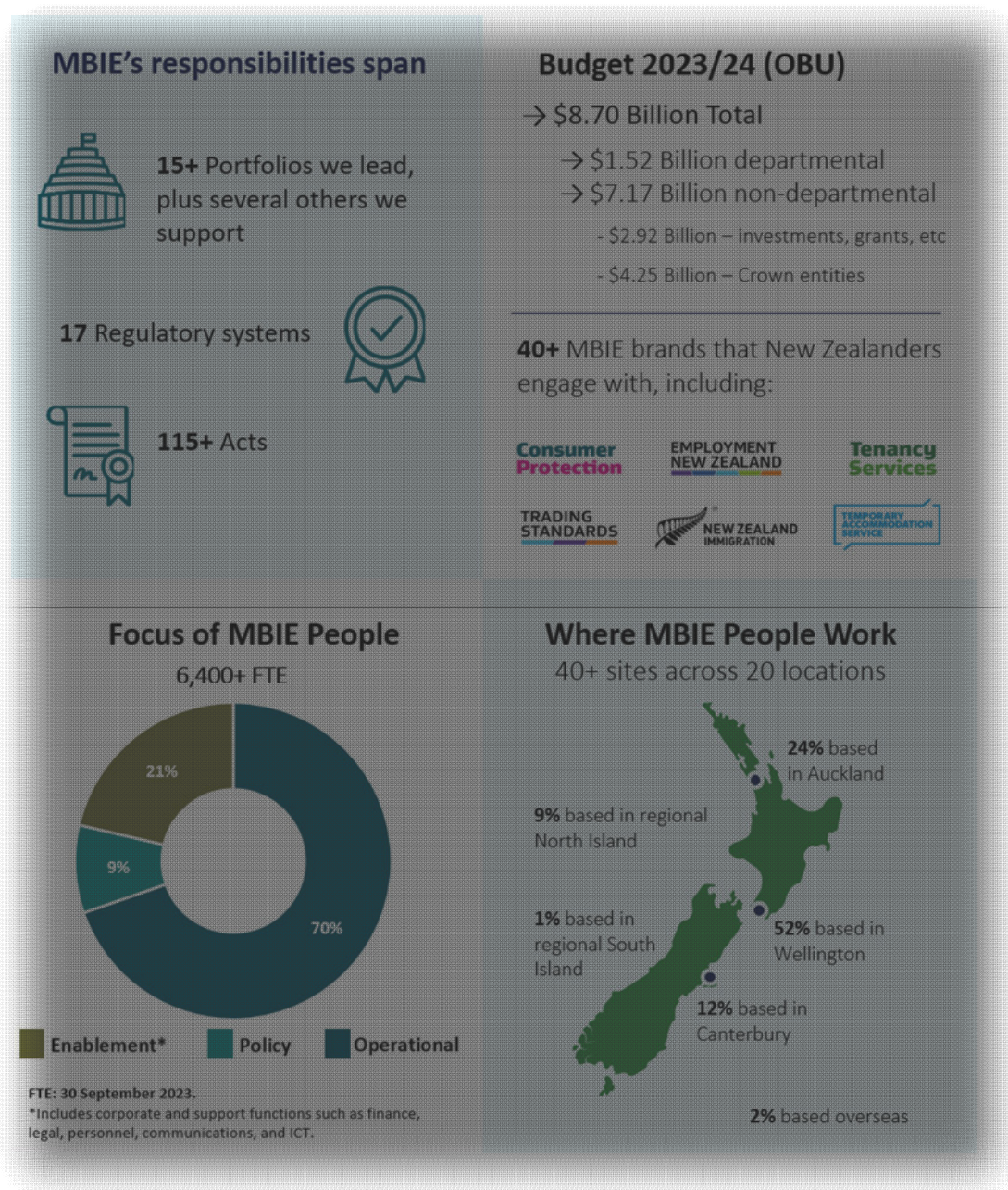
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5. The Government has committed to lifting New Zealand’s productivity and economic growth to increase opportunities and prosperity for all New Zealanders. As the lead microeconomic agency, MBIE’s responsibilities across multiple economic portfolios and functions are very relevant to delivering on this commitment.
6. MBIE plays a central role in shaping and managing many of the underlying systems that contribute to economic growth and prosperity, as well as delivering key services and support to people and businesses across the country.
7. MBIE’s key responsibilities span over fifteen interconnected portfolios (with support for several more), plus 17 regulatory systems, and over 25 Crown entities.
8. MBIE provides a range of services that enable economic activity and allow businesses and people to operate with confidence – from providing basic information and platforms on which businesses and entrepreneurs rely, to helping people navigate important personal and financial situations. These include company registration, technology adoption, accessing skilled migrants, consumer affairs and tenancy.
9. MBIE works across the breadth of government functions: early identification of issues, policy development, regulating, service delivery, investment, dispute resolution, and monitoring.
10. MBIE leverages its span, connections, and influence to develop integrated responses to complex issues, especially where the issues span portfolios and sectors. For example, having access to insights on employment, skills requirements and immigration flows allows for more aligned advice on workforce issues and options. Similarly, MBIE’s responsibilities in relation to the construction sector, supply chains, building code and licensed tradespeople allows advice to be framed within an interconnected system, rather than focusing on individual parts.
11. Due to MBIE’s scale and its responsibilities across key sectors, MBIE plays a central role in times of natural disasters. This includes a focus on restoring critical infrastructure, rapid assessments of buildings, temporary accommodation for affected people, and support for businesses – as was the case in response to the flooding and cyclone events of early 2023.
12. MBIE recognises that a strong economy is one where people’s skills and effort, work together with New Zealand’s financial and physical capital to improve the opportunities and livelihoods of current and future generations.
13. MBIE has just over 6,400 FTE in over 40 sites across 20 locations, urban and provincial, around the country. This footprint provides MBIE with considerable reach and on-the-ground perspectives.
14. Approximately 70% of MBIE’s people are focused on operations and service delivery.
15. As an organisation, MBIE continues to be flexible and adaptable, responding to changes in Government priorities and needs, and being more efficient and effective.

17. MBIE's goals are to "Grow, Protect and Innovate" and is accountable for the following outcomes:

- A dynamic business environment fostering innovation and international connection.
- Prosperous and adaptable people, sectors and regions.
- Skilled people engaged in safe and fulfilling work.
- Informed consumers and businesses interacting with confidence.
- Value sustainably derived from the natural environment.

## MBIE at a glance



## Portfolios and Ministers

VOTE	PORTFOLIO	MINISTER
Business, Science, & Innovation	Economic Development <i>(Minister responsible for MBIE)</i>	<i>Hon Melissa Lee</i>
	Auckland	<i>Hon Simeon Brown</i>
	Commerce and Consumer Affairs	<i>Hon Andrew Bayly</i>
	Energy	<i>Hon Simeon Brown</i>
	Media and Communications	<i>Hon Melissa Lee</i>
	Regional Development	<i>Hon Shane Jones</i>
	Resources	<i>Hon Shane Jones</i>
	Science, Innovation and Technology	<i>Hon Judith Collins</i>
	Small Business and Manufacturing	<i>Hon Andrew Bayly</i>
	Space	<i>Hon Judith Collins</i>
	Tourism and Hospitality	<i>Hon Matt Doocey</i>
Labour Market	ACC	<i>Hon Matt Doocey</i>
	Immigration	<i>Hon Erica Stanford</i>
	Social Development and Employment*	<i>Hon Louise Upston</i>
	Workplace Relations and Safety	<i>Hon Brooke van Velden</i>
Building & Construction	Building and Construction	<i>Hon Chris Penk</i>
	Housing*	<i>Hon Chris Bishop</i>

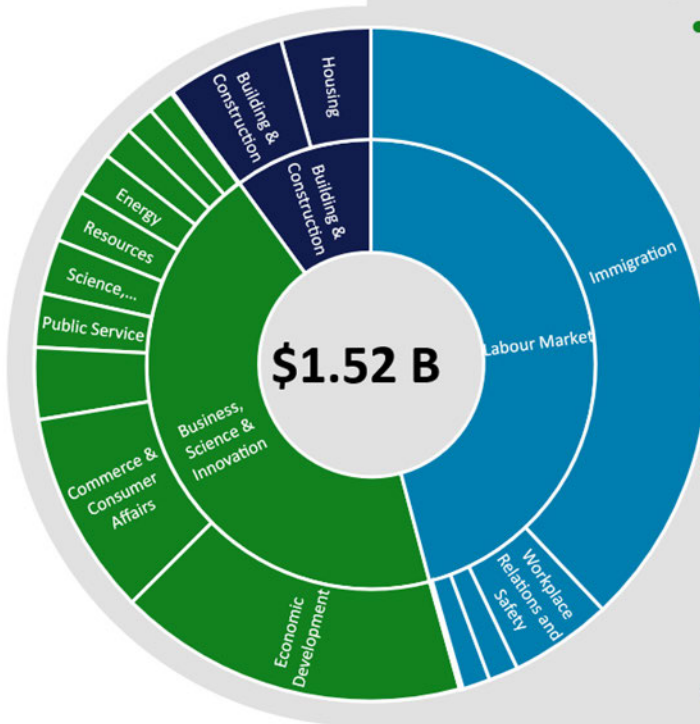
\* MBIE leads on Employment within the Social Development and Employment portfolio and supports Tenancy as part of the Housing portfolio.

Other portfolios MBIE supports include: Emergency Management and Recovery; Health; Māori Development; Pacific Peoples; Police; Public Service; Sport and Recreation; and, subject to further Ministerial consideration, Regulation.



# Funding by Vote and Portfolio

## 2023/24 Departmental Budget by Vote (OBU)



### • Business, Science & Innovation \$673.73m

Economic Development	\$ 255.95
Commerce and Consumer Affairs	\$ 149.02
Energy	\$ 32.49
Resources	\$ 38.04
Media and Communications	\$ 52.54
Science, Innovation and Technology	\$ 39.74
Public Service	\$ 39.85
Regional Development	\$ 24.24
Tourism and Hospitality	\$ 19.78
Small Business and Manufacturing	\$ 20.97
Police	\$ 1.11

### • Labour Market \$697.20m

Immigration	\$ 578.30
Workplace Relations and Safety	\$ 74.77
Social Development & Employment	\$ 20.61
Health	\$ 21.15
ACC	\$ 2.37

### • Building & Construction \$152.67

Building and Construction	\$ 86.75
Housing	\$ 65.92

## 2023/24 Non-Departmental Budget by Vote (OBU)

### • Business, Science & Innovation \$4,670.75m

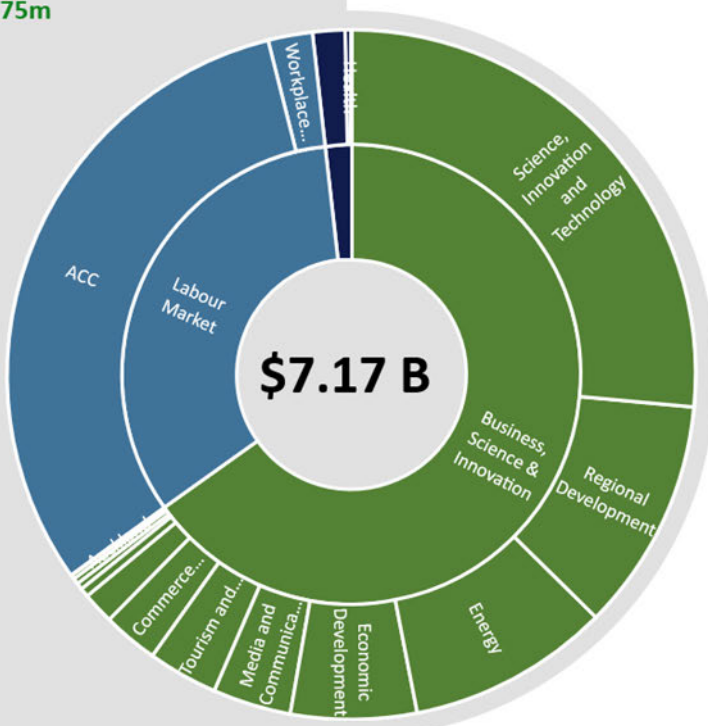
Science, Innovation and Technology	\$ 1,901.08
Regional Development	\$ 782.77
Energy	\$ 680.90
Economic Development	\$ 424.29
Media and Communications	\$ 264.74
Tourism and Hospitality	\$ 233.38
Commerce and Consumer Affairs	\$ 189.32
Resources	\$ 104.54
Emergency Management & Recovery	\$ 31.80
Sport and Recreation	\$ 20.38
Small Business and Manufacturing	\$ 19.90
Police	\$ 14.40
Māori Development	\$ 2.85
Auckland	\$ 0.40

### • Labour Market \$2,370.67m

ACC	\$ 2,219.82
Workplace Relations and Safety	\$ 150.85

### • Building & Construction \$128.26m

Housing	\$ 106.48
Building and Construction	\$ 21.63
Health	\$ 0.15



## Snapshot of service levels

The following is a snapshot reflecting the level of activity across a number of our services in the 2022/23 financial year.

### Service Centre

#### Services we provide:

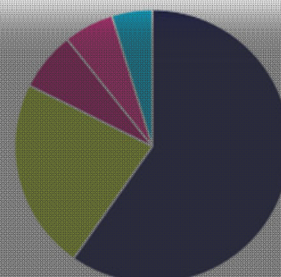
In addition to information online and via email, many people call us seeking information, including:

- How to grow and digitise their business
- Immigration processes
- Lodging complaints because their rights as tenants, consumers, workers, etc, have not been upheld

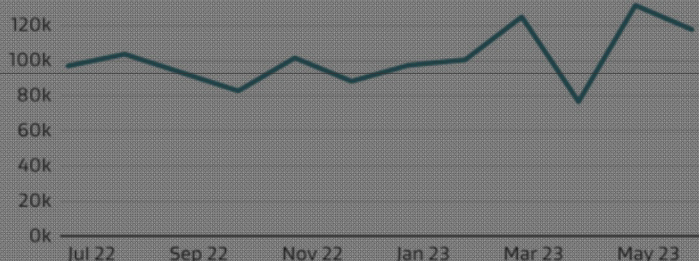
We have people based across the country managing over 50 different help lines. This year, we processed over 1,180,000 calls averaging over 98,000 per month.

#### Calls to Service Centre lines

- 60% Immigration
- 23% Building & Tenancy
- 7% Market Integrity Standards
- 6% Market Integrity Reg
- 5% Employment Services



#### Volume of calls through service centres



### Building & Tenancy

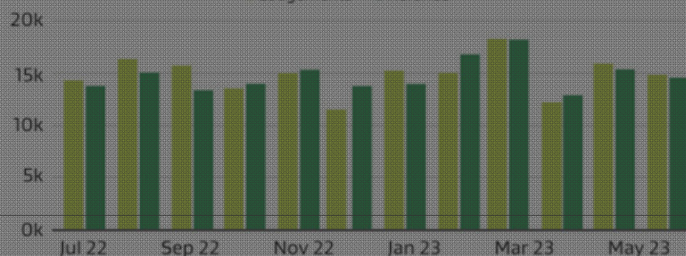
#### Services we provide:

- Bond receipt and refunds
- Tenancy and weathertight mediation
- Investigating breaches of Residential Tenancies Act and Building Act
- Building Code determinations

We lodged and held bonds for 178,000+ NZ households and investigated and resolved 3,000+ tenancy cases, providing for a safe and fair rental system.

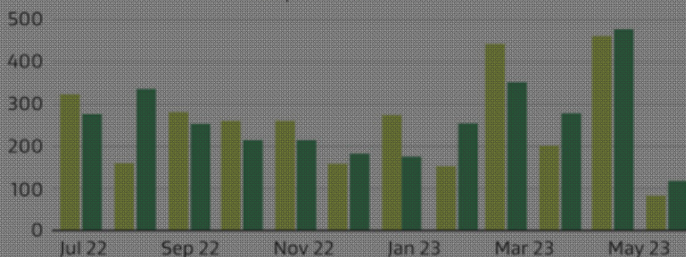
#### Bond refunds & lodgements

- Lodgements
- Refunds



#### Tenancy compliance & investigation cases

- Opened
- Resolved





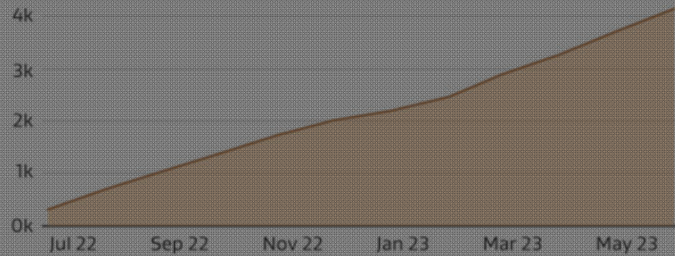
## Employment

### Services we provide:

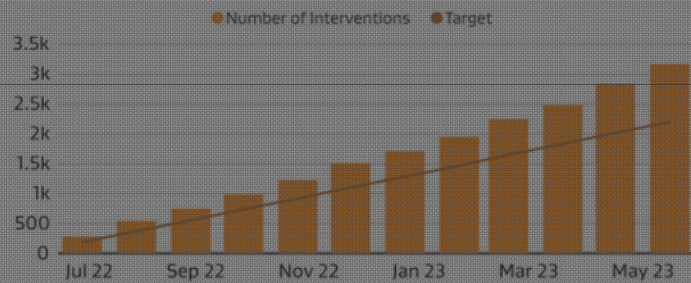
- Employment rights and standards
- Annual leave, maternity leave rights
- Employment relations and dispute resolution
- Prevent migrant exploitation

We led 4,100+ employment mediations and 3,100+ labour complaint interventions, ensuring good jobs and safe workplaces.

Mediation events delivered



Labour inspectorate interventions completed



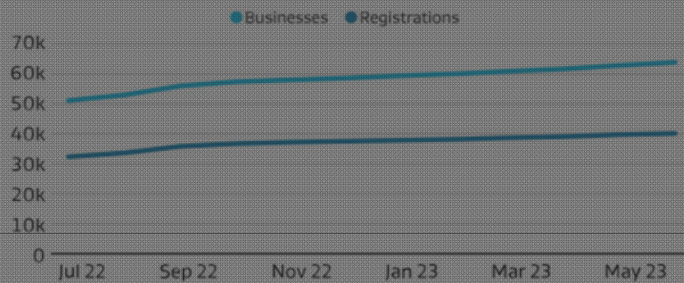
## Business & Consumer

### Services we provide:

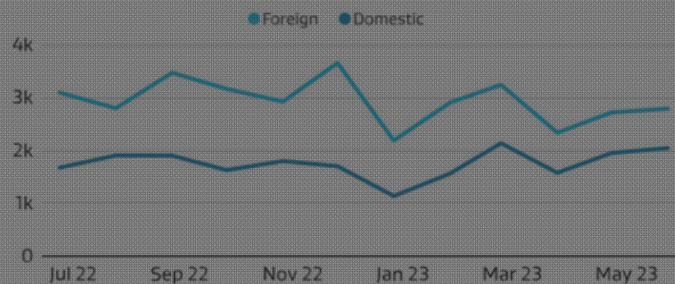
- Information and tools to business and consumers
- Digital products and learning
- Small business support
- Protecting intellectual property

We supported 60,000+ businesses through the Digital Boost programme and lifting their digital capability and supporting businesses to succeed. We registered over 330,000+ trademarks to protect intellectual property.

Digital Boost registrations (cumulative)



New trademark applications





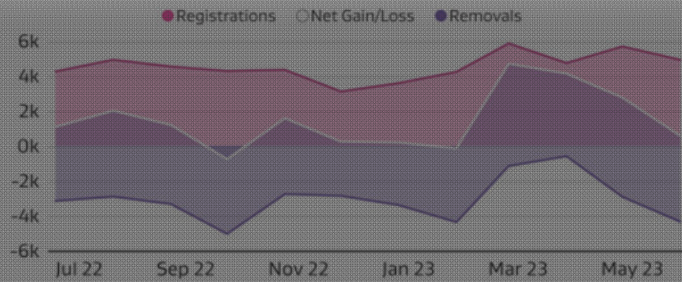
## Market Integrity

### Services we provide:

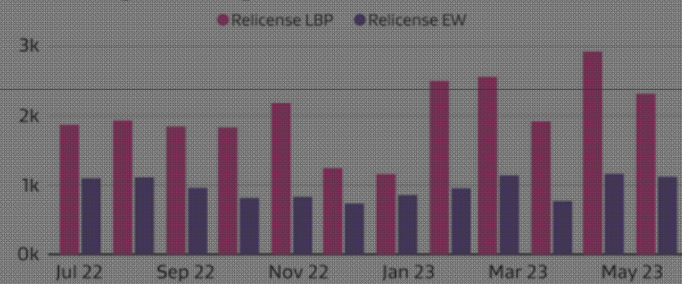
- Business registration
- Licensing practitioners, including Building, Electrical, Immigration, Auctioneers, Motor Vehicle Traders
- Radio spectrum, telecommunications infrastructure
- Trading standards

We registered 55,000 companies and relicensed 24,000 Building Practitioners and over 11,000 Electrical Workers this year to support a dynamic business environment and enable a fair market for consumers.

### Companies forming and ceasing



### Relicensing of Building Practitioners and Electrical Workers



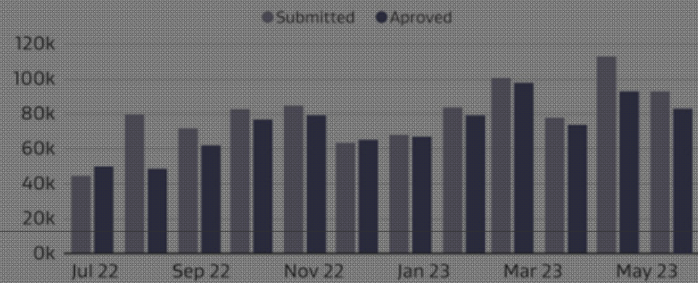
## Immigration

### Services we provide:

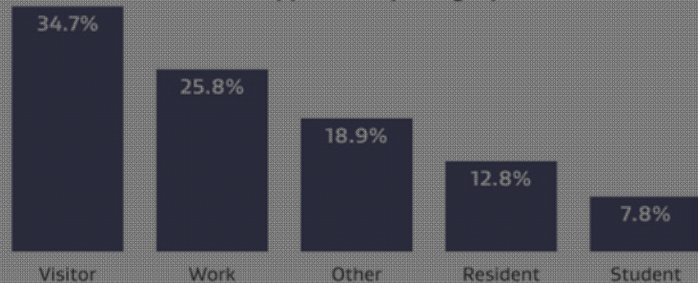
- Connecting people and enabling visitors to enter New Zealand
- Attracting international talent and investment
- Protecting our border

We approved 875,000 visa applications and allowed 1,065,000 people entry to the country, connecting New Zealand to the world.

### Visa applications submitted and approved



### Visa approvals by category



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### 3. Ownership Minister's responsibilities

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18. As Minister for Economic Development you are the Minister responsible for MBIE.<sup>1</sup> While the term 'Ownership Minister' does not have a legal definition, it is typically used to describe the functions of a Minister responsible for a department.
19. MBIE's Ownership Minister is accountable to Parliament for:
  - ensuring MBIE carries out its functions properly and efficiently
  - the financial performance of MBIE and for protecting the Crown's interest in it.
20. In practical terms, the Ownership Minister ensures officials, through the Secretary for MBIE:
  - understand the priorities of the Government, your priorities and those of portfolio Ministers
  - are developing policy, legislative and regulatory settings aligned with these priorities and are delivering public services accordingly
  - are actively identifying and addressing risks to current and possible future functions and services through the right skills, systems, culture, and connections across MBIE and other agencies
  - are continuing to make progress in relation to protective security of people, information, and assets.

#### **Vote management**

21. You are responsible for ensuring MBIE delivers on its responsibilities as the administrator of three Votes:
  - Vote Business, Science and Innovation
  - Vote Labour Market
  - Vote Building and Construction.
22. You are also responsible for ensuring appropriate Vote management arrangements are in place, including confirming the lead Minister for each of the three Votes. MBIE welcomes the opportunity to discuss this with you at your earliest convenience.
23. You have no formal responsibilities as the Ownership Minister in the Budget 2024 process, but you will as the Minister for Economic Development.

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<sup>1</sup> Ministerial responsibilities are defined by the Cabinet Manual, statute and other legal instruments, including the Public Finance Act 1989 and the Public Service Act 2020. Each of these instruments uses different terms when describing Ministerial obligations. Collectively they provide the parameters of your responsibilities as Ownership Minister for MBIE.

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### Working with MBIE portfolio Ministers

24. On occasion, the Ownership Minister has a role facilitating discussion with other portfolio Ministers that MBIE supports, including to:
- clarify responsibilities and priorities across the portfolios, where policy initiatives and Budget initiatives cross or require collaboration across multiple portfolios
  - ensure MBIE has the capacity and resources required to deliver on Government priorities and to meet current and future demands.

### Accountability processes

25. You have a key role around MBIE's accountability documents and processes, including:
- being involved in the **Estimates Examination** process (approving written responses to Ministry-wide or ownership questions from Select Committees, and responding to oral questions about ownership matters at the hearing before the Select Committee).
  - providing comment on the **MBIE Annual Report** and tabling it in the House following sign-off by the Auditor-General.
  - providing comment on the written responses to all Ministry-wide or ownership questions from Select Committees in the **Annual Review** process.



## 4. MBIE's responsibilities and functions

### Portfolios and regulatory systems

VOTE	PORTFOLIO	REGULATORY SYSTEMS	
Business, Science, & Innovation	Economic Development	-	
	Auckland	-	
	Commerce and Consumer Affairs		<i>Competition</i>
			<i>Consumer and commercial</i>
			<i>Corporate governance</i>
			<i>Financial markets conduct</i>
			<i>Intellectual property</i>
			<i>Standards and conformance**</i>
		<i>Trade remedies</i>	
	Energy	<i>Energy markets</i>	
	Media and Communications	<i>Communication markets</i>	
	Regional Development	-	
Resources	<i>Petroleum and minerals</i>		
Science, Innovation and Technology	-		
Small Business and Manufacturing	-		
Space	<i>Outer space and high-altitude activities</i>		
Tourism and Hospitality	-		
Labour Market	ACC	<i>Accident compensation</i>	
	Immigration	<i>Immigration</i>	
	Social Development and Employment*	-	
	Workplace Relations and Safety		<i>Employment relations and standards</i>
		<i>Health and safety at work</i>	
Building & Construction	Building and Construction	<i>Building</i>	
	Housing*	<i>Housing and Tenancy</i>	

\* MBIE leads on Employment within the Social Development and Employment portfolio and supports Tenancy as part of the Housing portfolio led by the Ministry of Housing and Urban Development.

\*\* Standards and Conformance also has links to the Science, Innovation and Technology portfolio.

Other portfolios MBIE supports include: Emergency Management and Recovery; Health; Māori Development; Pacific Peoples; Police; Public Service; Sport and Recreation; and, subject to further Ministerial consideration, Regulation.

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## Responsibilities

26. As the lead microeconomic agency MBIE supports the Government through, and operates core functions across, a range of interconnected portfolios and regulatory systems.
27. In addition to these roles and responsibilities, over time, MBIE has assumed additional responsibilities such as:
  - the Pike River Recovery Agency (now closed)
  - the Provincial Development Unit (renamed Kānoa – Regional Economic Development and Investment Unit)
  - Managed Isolation and Quarantine (MIQ) services (during the COVID-19 pandemic).

## MBIE's functions

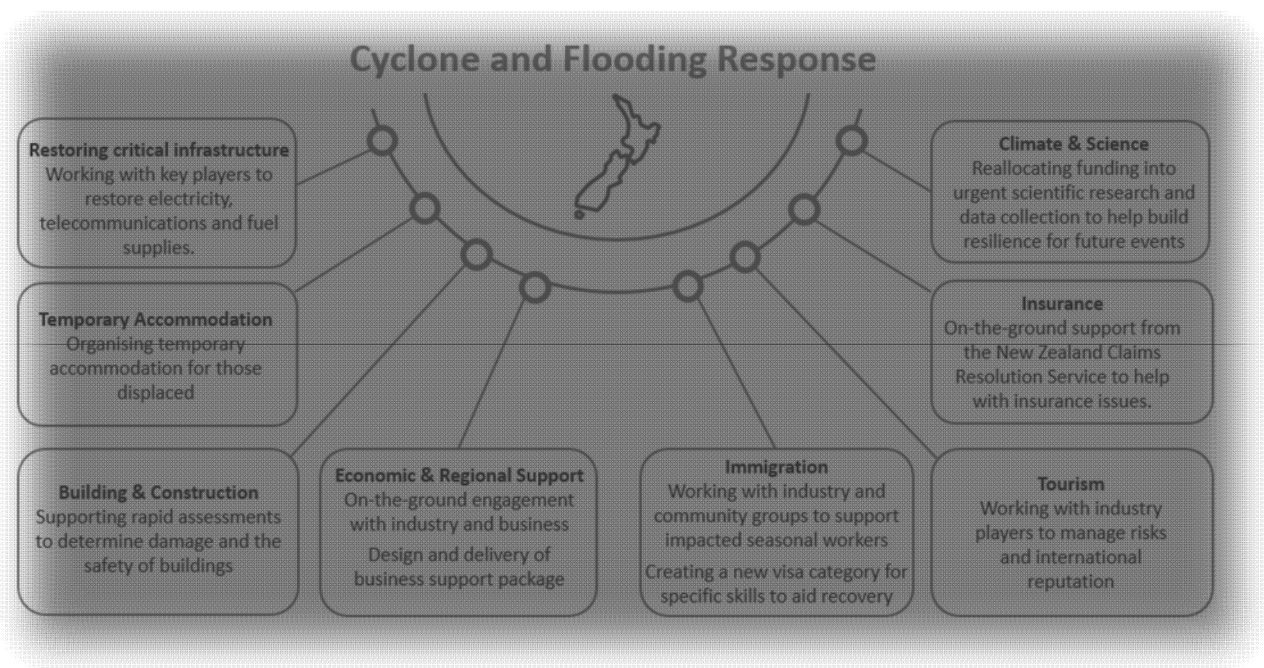
28. MBIE's functions broadly fall within the following:
  - **Operations and service delivery** – MBIE provides a range of services to people and businesses. This is the focus of approximately 70% of MBIE staff.
  - **Policy advice** – MBIE provides policy advice and recommendations for Ministers to help achieve the Government's objectives.
  - **Legislation** – MBIE develops, reviews, and provides input into legislation related to our responsibilities and functions.
  - **Regulation** – MBIE has responsibilities relating to the health and performance of multiple regulatory systems including systems stewardship.
  - **Investing** – MBIE manages and invests non-departmental funding to lift outcomes in areas such as regional economic development, science, and technology.
  - **Cross-government functions** – MBIE is responsible for several cross-government functions such as government property and procurement; regulatory stewardship and practice; the Government Centre for Dispute Resolution; and the Language Assistance Service.
  - **Monitoring entities** – MBIE monitors a range of Crown entities and other bodies to ensure they are meeting operational and performance expectations. (See Annex 1.)

## Leveraging our span

29. MBIE leverages the span of responsibilities and functions to provide integrated, end-to-end advice and options. This is relevant in the overall context of economic activity and performance but is particularly evident in times of crisis.

## North Island weather events of early 2023

30. During the response phase of Cyclone Gabrielle and the flooding events of early 2023, MBIE provided support across a range of functions and portfolios. This support was managed in a coordinated manner to ensure the assistance was properly sequenced and addressed the wide variety of issues that arose. It also involved significant work with stakeholders across various sectors.



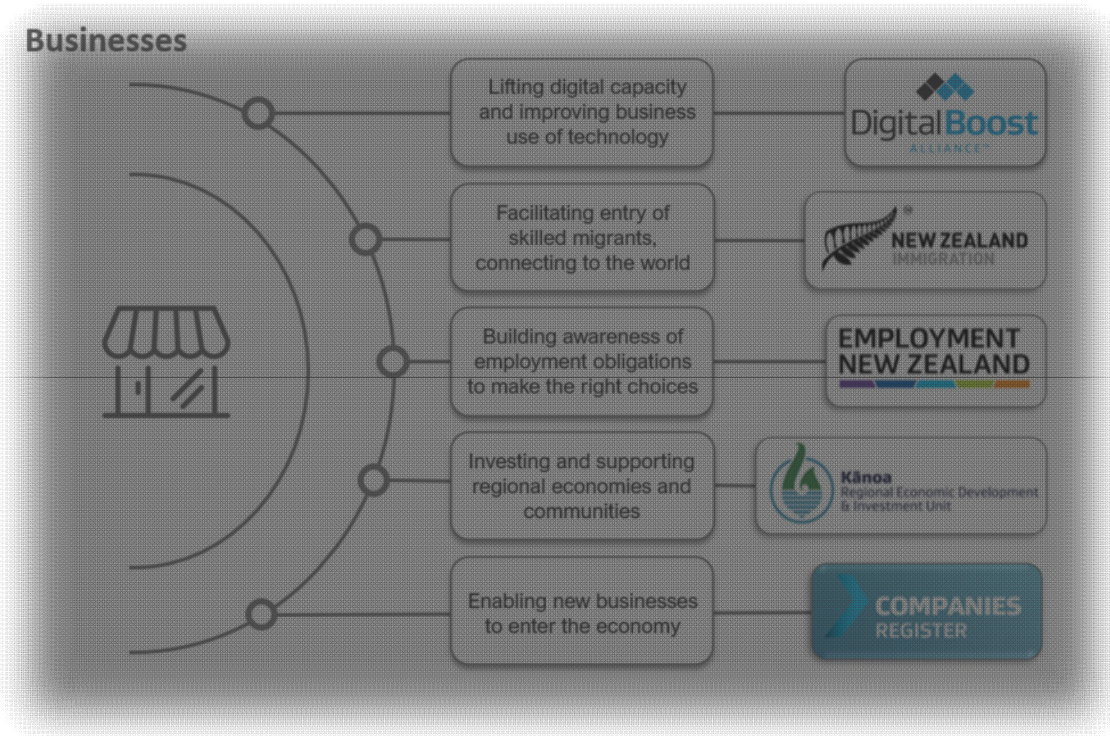
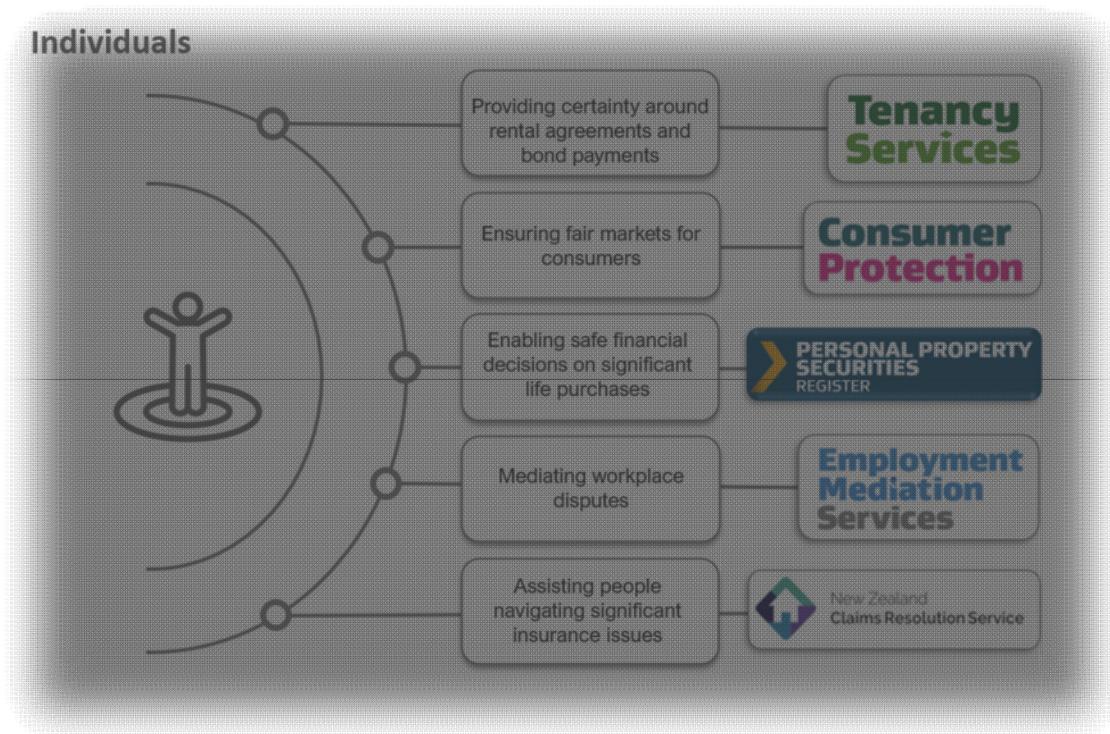
## Cross-government functions and cross-cutting issues

31. MBIE is responsible for cross-government functions including:
  - Better 4 Business – provides insights on businesses’ experiences interacting with government, to identify opportunities to improve regulatory design and service delivery.
  - Government Centre for Dispute Resolution – supports the design and delivery of appropriate and accessible dispute resolution across sectors.
  - Government Regulatory Practice Initiative (G-REG) – focuses on developing regulatory leadership and regulatory practices.
32. MBIE’s Regulatory Stewardship programme complements Treasury’s role in regulatory management, by identifying practical ways through which all agencies can better create and maintain regulatory systems that prevent harm to, and enable, the activities of businesses and people.
33. MBIE is the Government's Procurement System and Government's Property System lead.
34. The Economic Chief Executives group supports a system leadership approach to economic development across the public sector. It is co-chaired by the Secretaries of MBIE and The Treasury.
35. Under the Public Service Act, departments have responsibilities to support its relationship with Māori under the Treaty, including to develop and maintain capability to engage with Māori and understand Māori perspectives.
36. MBIE has post-Treaty Settlement commitments and other arrangements with over 50 iwi groups. The majority of commitments relate to Crown minerals and natural resources, and the formation of Crown Mineral Protocols. MBIE works in collaboration with other Crown agencies to engage with iwi under formal settlement relationships (e.g. social accords, relationship agreements, etc), with a focus on enabling economic prosperity.
37. Under the Emissions Reduction Plan and National Adaptation Plan MBIE has a significant climate change work programme across Ministerial portfolios that aims to help businesses and the country transition towards a lower carbon profile.



## Supporting people and businesses

38. MBIE provides a range of services to support people and businesses – often without them realising MBIE’s role – helping to navigate important personal and financial situations, to providing basic information and platforms on which businesses and entrepreneurs rely.





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## Security and Emergency Management

### National Security

39. New Zealand's National Security Strategy and national security intelligence priorities outline intentions to protect and advance New Zealand's national security interests. The strategy identifies 12 core issues, and four connected issues significant to New Zealand's security, that cut across multiple MBIE business groups.
40. MBIE plays an important role in economic security through its responsibilities for key microeconomic markets and systems (financial, energy, etc) and management of foundational platforms (for example companies, intellectual property and other registries).
41. MBIE, alongside Customs, Ministry for Primary Industries and Police, plays an important role in border security, principally through immigration. MBIE is the lead agency for national readiness and response in the event of a maritime mass arrival. The current Mass Arrival Response Plan is being reviewed by Immigration New Zealand and MBIE is set to deliver a National Mass Arrival Exercise Programme during 2025/26.
42. Alongside the New Zealand Defence Force and Ministry of Defence, MBIE has a central role regarding space security. MBIE also supports cross-cutting issues such as risks from emerging technology.

### Emergency management and business continuity

43. MBIE maintains an emergency management and business continuity team to support the coordination of MBIE's response during incidents, such as natural hazard events or in the event the Officials Committee for Domestic and External Security Coordination (ODESC) system is activated.
44. Key focus areas are: ensuring the incident management response is resourced and coordinated across MBIE; ensuring business continuity across critical business functions (such as keeping the border open); and ensuring the safety, health and wellbeing of our people.
45. In 2024, we will be a participant in Exercise Ru Whenua, led by the National Emergency Management Agency, which will test national preparedness for an Alpine Fault scenario.
46. MBIE is chair of the Fuel Sector Coordinating Entity designed to provide security around supply of fuel. The National Fuel Plan is currently being reviewed with the intention to be updated in 2024.
47. Emergency management support is also a key part of delivering national events, for example, the FIFA Women's World Cup.

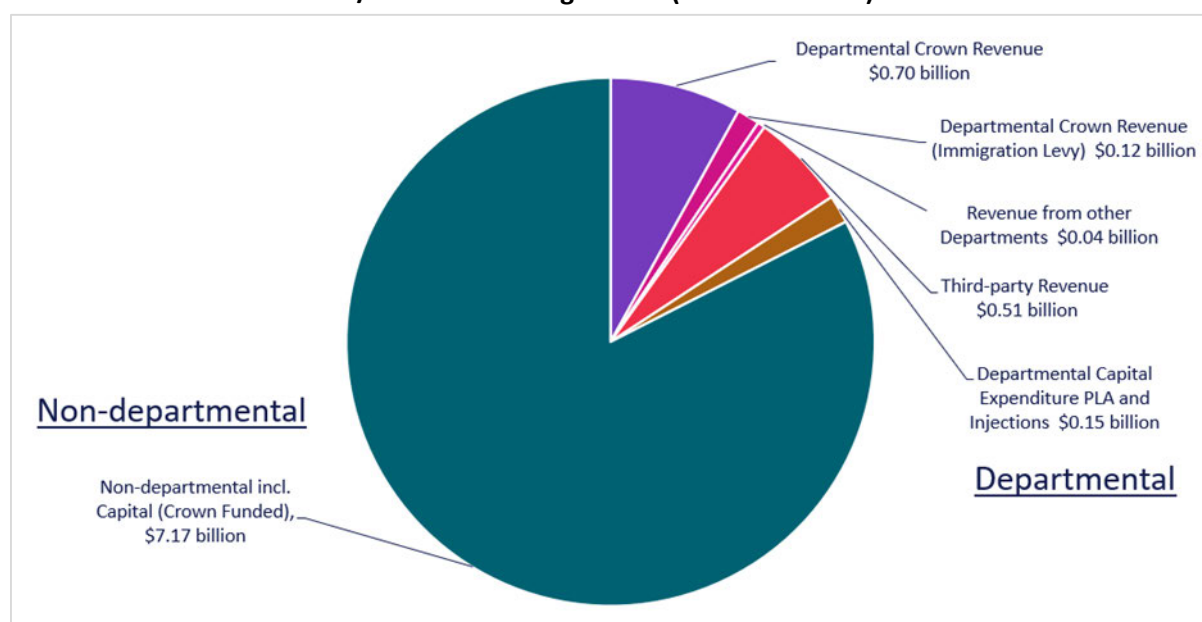
## 5. MBIE's Funding

48. MBIE is a large Ministry with just under \$8.70 billion in departmental and non-departmental funding for 2023/24 (as at OBU 2023), spanning three different votes. While we lead more than fifteen portfolios, MBIE has appropriation responsibilities across over 20 portfolios.

<p><b>Departmental</b> <b>\$1.52 billion</b> <b>(17%)</b> MBIE's activities, including services for people and businesses</p>	<p><b>Non-Departmental</b> <b>\$2.92 billion</b> <b>(34%)</b> Regional investment, contestable funds, grants, research, etc, managed by MBIE</p>	<p><b>Non Departmental</b> <b>\$4.25 billion</b> <b>(49%)</b> Crown entities</p>
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49. Of this total, the majority, \$7.17 billion (83%), is non-departmental – with \$2.92 billion channelled through grants and investments across a range of portfolios and \$4.25 billion for Crown entities (see Annex 1 for details).
50. The remaining \$1.52 billion<sup>2</sup> (17%) covers MBIE's departmental operations, including the provision of services to people and businesses. It is primarily funded through a combination of Crown revenue (including a ring-fenced portion collected from the Immigration Levy to fund the operation of the immigration system) and third-party revenue. The graph below shows the split by funding source across MBIE including departmental and non-departmental capital.

**2023/24 MBIE Funding Source (as at OBU 2023)**



51. Third-party funding and the Crown revenue funded by Immigration levies can only be used for the purpose it was collected for – for example revenue from the visas can only be used to fund activities as specified under the Immigration Act. This presents a challenge whereby funding is unable to be used for other purposes and is further complicated by the number of Ministers, portfolios and appropriations held by MBIE.

<sup>2</sup> Includes Capital Expenditure PLA and authorised capital injections.

52. A key focus for MBIE’s financial sustainability is our ability to utilise funding across the organisation more effectively. An amalgamation of appropriations would provide more fiscal agility, especially when responding to sudden events that require MBIE’s support.
53. The table below provides a more detailed split between the three votes and over 20 portfolios of MBIE’s departmental and non-departmental budget for 2023/24 as of OBU 2023, as well as FTE allocations across portfolios by operational and policy roles.

#### MBIE 2023/24 Departmental Budget by Vote

VOTE	PORTFOLIO	Departmental		Non Departmental		FTE	
		\$000s	%	\$000s	%	Operational	Policy
Business, Science & Innovation	Economic Development	255,953	16.80%	424,294	5.92%	87.9	77.6
	Auckland ‡	-	0.00%	400	0.01%	0.0	5.5
	Commerce and Consumer Affairs	149,017	9.78%	189,318	2.64%	392.9	55.9
	Emergency Management and Recovery	-	0.00%	31,800	0.44%	*	*
	Energy ¶	32,491	2.13%	680,897	9.50%	7	68.4
	Māori Development	-	0.00%	2,850	0.04%	8.6	0.0
	Media and Communications †	52,536	3.45%	264,742	3.69%	44.8	16.3
	Public Service	39,847	2.61%	-	0.00%	10.9	2.0
	Police	1,105	0.07%	14,400	0.20%	*	*
	Regional Development	24,237	1.59%	782,769	10.92%	75.5	6.0
	Resources ¶	38,044	2.50%	104,537	1.46%	66.5	10.0
	Science, Innovation and Technology †	39,735	2.61%	1,901,075	26.52%	62.9	67.7
	Small Business and Manufacturing	20,966	1.38%	19,895	0.28%	57.0	10.0
	Space ‡	-	0.00%	-	0.00%	6.8	10.0
	Sport and Recreation	-	0.00%	20,375	0.28%	*	*
Tourism and Hospitality	19,781	1.30%	233,375	3.26%	12.9	27.5	
Labour Market	ACC	2,366	0.16%	2,219,820	30.96%	0.0	5.0
	Health ¶	21,151	1.39%	150	0.00%	*	*
	Immigration	578,303	37.96%	-	0.00%	2821.4	39.0
	Social Development and Employment	20,607	1.35%	-	0.00%	41.1	32.9
	Workplace Relations and Safety	74,772	4.91%	150,849	2.10%	293.4	39.3
Building & Construction	Building and Construction	86,751	5.69%	21,632	0.30%	178.5	54.4
	Housing	65,924	4.32%	106,483	1.48%	271.4	15.9
Other	Multiple	-	-	-	-	41.3	7.0
TOTAL		\$1,523,586		\$7,169,661		4480.8	550.4

FTE assigned across enabling functions (e.g. finance, legal, personnel, ICT, etc) and across multiple portfolios 1,381.2

**Total FTE** **6,412.4**

**All numbers are represented as FTE. Data is at 30 September 2023.**

\* FTE figures for these portfolios are counted within the multiple portfolio and enabling functions.

‡ The Auckland portfolio is supported through \$1 million departmental under the Economic Development portfolio. Space is also funded through the Economic Development portfolio.

¶ The Energy and Resources portfolios have been supported by a single MBIE branch. Approximately 13% of policy advice funding under Energy relates to the Resources portfolio.

† Due to changes between portfolios approximately 24% of policy advice funding under Media and Communications relates to the technology portion of Science, Innovation and Technology.

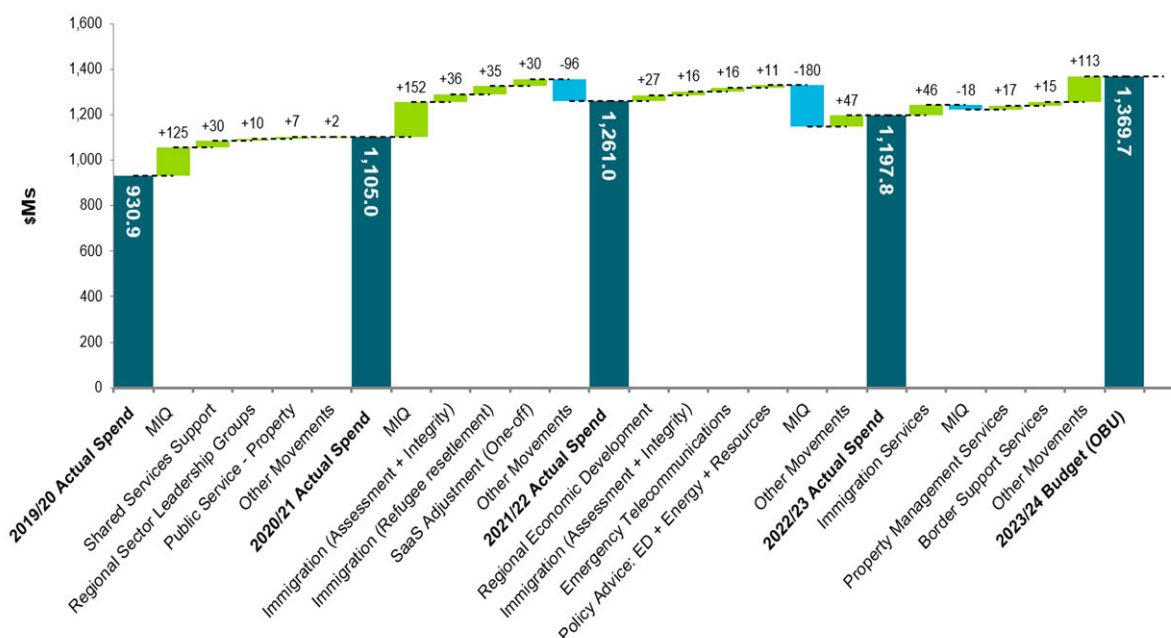
¶ The \$150,000 of non-departmental funding under the Health portfolio relates to Vote Building & Construction.

54. As highlighted above, of the total departmental budget, the main portfolios are Immigration (38%), Economic Development (17%) and Commerce and Consumer Affairs (10%).
55. Of the total non-departmental budget, the main portfolios are ACC which receives \$2.22 billion (31%), Science, Innovation and Technology funding with \$1.90 billion (27%), and Regional Development \$0.78 billion (11%).

## Scale of Funding / Financial Trend (Departmental)

56. Over the last decade, MBIE has adapted in response to changes in Government priorities and shifts in funding. This was particularly evident through the COVID-19 response, where, due to MBIE’s span and scale, we were called on to support key initiatives. This included the operation of MIQ, supporting businesses and the essential goods / services work, the reopening of borders and the wind down of MIQ operations.
57. In the most recent annual Budget (2023/24), MBIE’s isolation and quarantine funding and activities have almost ceased, however MBIE’s funding has grown across other portfolios. Key shifts are set out in the following graph.

Departmental Baseline Actual Spend 2019/20 - 2023/24



58. The main contributions to the increase in appropriations since 2019/20 are:

- Immigration: \$144 million for a range of initiatives (funded through a mix of Crown and Third Party funding), including: addressing Temporary Migrant Worker Exploitation, addressing non-compliance in the Immigration System, Maritime Mass Arrival Prevention, Employer Assisted Work Visa System, improving the system for Refugee Family Reunification, Refugee Quota Programme cost pressures, and Immigration cost pressures associated with reopening the border.
- Temporary Accommodation Services: \$16 million for the 2023 North Island Weather Events (including \$8 million in 2023/24).
- Workplace Relations and Safety: \$21 million across several initiatives including the Fair Pay Agreement System and addressing Temporary Migrant Worker exploitation.



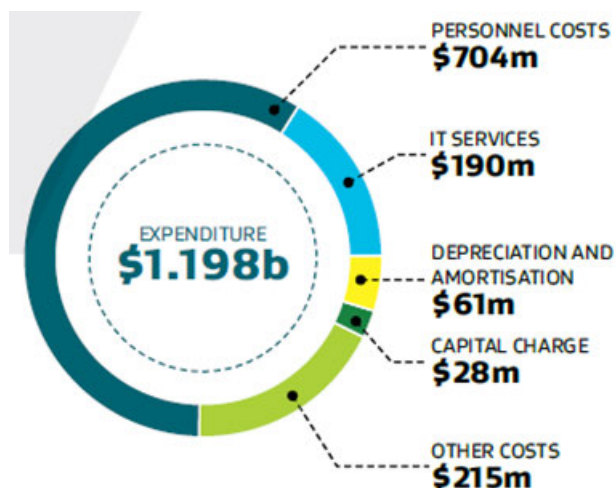
- Small Business Enabling Services: \$14.5 million to accelerate and strengthen Business Connect (a platform for businesses to interact with central and local government), implement eInvoicing, and other Better for Business initiatives.
- Government Property: \$23 million to deliver the Regional Hubs Accommodation programme, Bowen House, and develop the Property Functional Lead (expected to deliver substantial savings).
- Shared Services provided to other agencies: \$11.8 million to provide back-office services to WorkSafe New Zealand and the Ministry of Housing and Urban Development (\$10 million in 2023/24).
- The Emergency Caller Location Information service, which allows emergency services to locate people calling 111 from their mobile phones, received permanent Crown departmental funding of \$16.1 million per annum in Budget 2020. It had previously been third-party funded via the Telecommunications Development Levy, but with the reduction in amount recovered by that levy, it required permanent Crown funding.
- Increasing demand in management of the Crown Mineral Estate: \$14m in 2023/24 to manage risks in petroleum and mineral permitting, and improved iwi engagement.

## Future Funding and Savings Initiatives

59. From 2024/25 onwards, MBIE's departmental baseline funding will drop by around \$195 million mainly due to time-limited funding received for the North Island Weather Events and services provided to Customs for border support services in 2023/24, and the funding baseline for regional development, which will reduce to a residual amount when timebound funding (for earlier initiatives) ceases.
60. During the past two Budget rounds, MBIE and its Ministers have supported reprioritising existing funding to fund new initiatives.
61. In the recent immediate savings exercise across both departmental and non-departmental operations, MBIE identified \$126.40 million of operating funding, \$150.00 million of tagged contingency funding and \$67.38 million of unspent budget from prior years to return to Crown across the next four forecast periods. This return of funding came from:
  - savings of capital funding and tagged contingencies of \$150.00 million from the Economic Development portfolio
  - a reduction in baseline funding for research and development-related grant schemes within the Research Science, and Innovation portfolio (\$115.28 million) including \$65.880 million of underspends not carried forward
  - cost saving measures from the Tourism portfolio (\$60.00 million)
  - savings initiatives to return funding from prior Budget rounds (\$17.00 million) and underspends (\$1.50 million) from the Energy portfolio.
62. A Financial Sustainability and Efficiency Programme is currently underway to identify specific savings options, as MBIE will need to find an additional 2% savings by 2024/25 across departmental and non-departmental totalling \$110.00 million to meet the PREFU savings targets (on the basis of \$14.40 million from departmental and \$95.60 million from non-departmental).

## MBIE's Cost Profile

63. Looking at 2022/23 expenditure, MBIE's largest resource and therefore expense was personnel costs which made up 59% (\$704 million) of MBIE's departmental costs. As at 30 September 2023, there are 6,400 FTE roles, 70% of which are operational or service delivery.

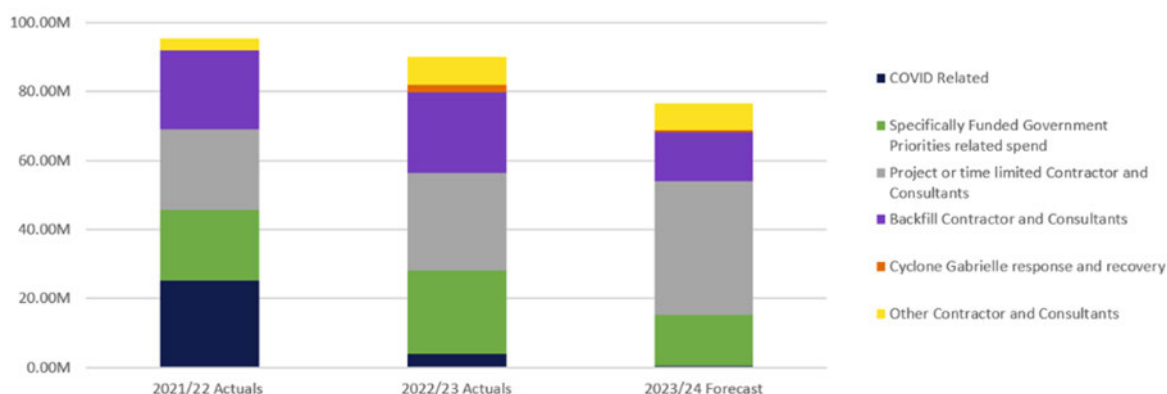


64. ICT and Communications was the next largest, single cost to MBIE (\$190 million) and is a largely fixed cost to support MBIE's people and operations.

65. As an organisation we have continued to be flexible and adaptable in response to changes in responsibilities and the skillsets we require, as well as to become more efficient and effective.

66. Growth in work programmes affects not only the business unit tasked with programme delivery but also results in increased demand of cross-enterprise support services including finance, human resources, data analytics, information technology, etc.

67. Given the breadth of the technical fields required to provide services to the public, half of MBIE's spend on consultants and professionals are on outsourced technical services that have specialist skills that MBIE cannot provide / support in-house. This is especially relevant in respect of information technology, but other specialists include legal services, migrant settlement services, laboratory testing, research, and interpretation, transcription and translation services.



68. The graph above highlights the changing, and decreasing, use of contractors and consultants.

69. Other expenses for MBIE include facilities management and rent, travel and sundry supplies / services.

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## 6. Supporting the Ownership Minister

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70. In addition to normal support and regular contact through your Economic Development portfolio responsibilities, as MBIE's Ownership Minister, MBIE will keep you informed of key organisational matters, as well as support you in relation to ownership responsibilities.

### Key issues or risks

71. MBIE will ensure you are advised of any key issues or risks relating to the department or its overall operations and management. This includes any significant internal management initiatives, such as major structural changes or capacity or capability concerns.

### Performance reporting

72. The Secretary of MBIE is responsible to you for the financial management and performance of MBIE pursuant to the Public Finance Act 1989. To assist in keeping an overview of MBIE's performance, MBIE will provide you with an annual departmental report, as well as regular reporting. MBIE will update you on any issues raised by the Auditor-General as part of the annual audit. MBIE will also raise and discuss any major risks or issues with MBIE's performance that fall into the MBIE-related portfolios of Ministerial colleagues.

### Protective Security

73. The Secretary of MBIE is accountable to you, as Ownership Minister, for effective implementation of New Zealand's framework for protective security. It ensures MBIE has systems in place to reduce threats and vulnerabilities, such as violence against staff, criminal damage against departmental property, significant fraud, theft of information and cyber security issues. This work is led by the Chief Security Officer and is closely coordinated with privacy management and the legislative privacy obligations led by MBIE's Chief Privacy Officer.
74. MBIE is required to report to the Director General of Security (New Zealand Security Intelligence Service) on an annual basis on the maturity of its protective security controls, progress on the implementation of improvements and our priorities for the next 12–24 months. MBIE is making steady progress improving its controls across all requirements.

### Select Committee processes

75. For the Estimates Examinations (normally in June), MBIE will provide you with information to support your responses to oral questions about ownership matters before the Select Committee. MBIE will also keep you informed about the Annual Review process (likely in February 2024), which is a departmental responsibility. This includes providing you with the written responses to all MBIE-wide or ownership questions from Select Committees.

## 7. Points to action, to discuss, or note

### Actions and things to be aware of in the first 100 days

Items for Action	
<b>Vote management arrangements</b>	You will need to confirm Vote management arrangements with appropriation Ministers within Vote Business, Science and Innovation and ensure that there are appropriate Vote management arrangements in place for the other two Votes administered by MBIE. This includes confirmation of the lead Ministers for the three Votes.
<b>Tabling of the MBIE Annual Report for 2022/23</b>	<p>As Ownership Minister, you are responsible for tabling the MBIE departmental Annual Report for 2022/23.</p> <p>Once the House resumes sitting, we will liaise with your Office regarding the process for tabling.</p> <p>In accordance with the Public Finance Act, the MBIE Annual Report was published on MBIE's website on 20 October 2023.</p> <p>As is standard practice, Audit NZ reviewed MBIE's annual report and the appropriations for 2022/23, covering over \$6.9 billion expenditure and over 220 performance measures. Overall, Audit NZ found that the annual report fairly presented MBIE's financial situation and performance. However, Audit NZ was not satisfied with information collected for three Temporary Accommodation measures and provided a qualified opinion in relation to these measures. Further information on this will be included in the briefing to table the report.</p>
Items for you to note	
<b>Public Service Commission assurance review of the administration of the Accredited Employer Work Visa scheme</b>	<p>The Minister of Immigration requested that the Public Service Commission undertake an assurance review into the administration of the Accredited Employer Work Visa scheme. The objective of the review is to determine whether Immigration New Zealand's administration of the scheme is being carried out appropriately. It will also identify any possible improvements to the scheme, with a focus on mitigating the risk of migrant exploitation and irregular migration.</p> <p>MBIE has arrangements in place to coordinate and manage our interface with the review team. The final report with recommendations is tentatively due in late 2023.</p>
<b>Government Inquiry into the Response to the North Island Severe Weather Events</b>	<p>In July 2023, the then Minister for Emergency Management announced a Government Inquiry into the Response to the North Island Severe Weather Events. The Inquiry is to provide its report, including final recommendations, to the Minister for Emergency Management and Recovery in writing no later than 26 March 2024.</p> <p>The Inquiry is to provide interim recommendations to the Minister for Emergency Management in writing no later than 7 December 2023. Several activities that MBIE was involved in fall within the scope of the Terms of Reference of the Inquiry.</p> <p>MBIE has already responded to a number of requests for information and has arrangements in place to coordinate and manage our interface with the Inquiry and with other stakeholders.</p>



<p><b>Royal Commission of Inquiry into Lessons Learned from Aotearoa New Zealand’s Response to COVID-19 That Should be Applied in Preparation for any Future Pandemic</b></p>	<p>In December 2022 the Government announced a Royal Commission of Inquiry into lessons learned from the national response to COVID-19 that should be applied in preparation for a future pandemic. The Inquiry began considering evidence from 1 February 2023 and is required to deliver a report with recommendations now by 30 September 2024.</p> <p>A number of activities that MBIE was involved in falls within the scope of the terms of reference of the Inquiry: This includes:</p> <ul style="list-style-type: none"> <li>- Management of MIQ system (both policy and operations including MIQ facilities)</li> <li>- Lead Agency for the Vaccination procurement strategy, including establishment and action of the Vaccine Strategy Taskforce</li> <li>- Providing guidance to businesses as to what met the stated definition of essential businesses</li> <li>- Managing border restrictions</li> <li>- Support to businesses across New Zealand to help reduce the impacts of COVID-19 and lockdowns and to provide an environment where businesses can recuperate and thrive. This includes the establishment and operation of systems such as the Essential Services Register, Business Travel Document System and Close Contact Exemption Scheme.</li> </ul> <p>MBIE has already responded to a number of requests for information. The Secretary met with the Commissioners in late February 2023, and more recently as a member of the Border Executive Board. Several Tier 2 and Tier 3 staff from MBIE and former MBIE staff have been interviewed by the Inquiry.</p>
<p><b>Temporary Accommodation Service (TAS)</b></p>	<p>TAS was first established as the Canterbury Earthquake Temporary Accommodation Service in April 2011, to assist households displaced by the Canterbury earthquake sequence. Since then, TAS has gone on to support households through 18 activations in response to 13 floods, the Kaikoura earthquake, two tornados, and one pandemic.</p> <p>TAS is currently active in the following regions:</p> <ul style="list-style-type: none"> <li>• Auckland, Northland, Tairāwhiti, Bay of Plenty, Waikato, Hawke’s Bay, Manawatu/Whanganui, and Wairarapa regions in response to the North Island Severe Weather events (NIWE) in January and February 2023.</li> <li>• Wairoa region in response to the flooding event in November 2023.</li> <li>• Nelson, Tasman, and Marlborough regions in response to the flooding event in August 2022.</li> <li>• Westport region in response to the flooding event in July 2021.</li> </ul> <p>The NIWE response is the largest since the Canterbury earthquakes. TAS is using a mix of commercial and transportable accommodation options across multiple regions, with around 3,100 households having registered for TAS assistance as of 31 October 2023. There are around 300 households currently in TAS supplied accommodation.</p>



<p><b>Emergency Management Bill and potential Critical Infrastructure reforms</b></p>	<p>If the critical infrastructure reforms being led by Department of Prime Minister and Cabinet (DPMC) progress, MBIE recommends amending the proposed planned emergency levels of service (PELOS) provisions of the Emergency Management Bill. This is to remove the duplicative administrative and compliance costs that these provisions involve.</p> <p>There is an emerging risk for MBIE if we are asked to take on significant new regulatory functions under: the Emergency Management Bill; and the legislation flowing out of DPMC’s critical infrastructure work programme. If funding to resource this work is not forthcoming, work programme trade-offs may be required.</p>
<p><b>Progressing the Regulatory Systems Amendment Bills (RSABs)</b></p>	<p>MBIE uses Regulatory Systems Amendment Bills (RSABs) to make minor, technical and non-contentious amendments to the legislation it administers. The amendments:</p> <ul style="list-style-type: none"> <li>• clarify and update statutory provisions to better give effect to the purpose of the Act</li> <li>• address regulatory duplication, gaps, errors, and inconsistencies</li> <li>• keep the regulatory system up to date and relevant</li> <li>• remove unnecessary compliance and implementation costs.</li> </ul> <p>There were two RSABs on the previous Government’s legislation programme – RSAB No 3 should be ready for introduction in early 2024, and we are identifying amendments to include in RSAB No 4. You will need to submit legislation bids for these to be included as part of the Government’s legislation programme.</p> <p>We will provide more detail about the content of RSAB Nos 3 and 4 and your role in progressing them in due course.</p>
<p><b>Public Sector Pay Adjustment (PSPA)</b></p>	<p>The Collective Agreements MBIE has with the Public Service Association and National Union of Public Employees, who represent 39% of MBIE employees, will expire in March and May 2024 respectively.</p> <p>MBIE’s bargaining strategy is currently under development, and is planned to be progressed through governance steps, including Te Kawa Mataaho Public Service Commission approval, prior to Christmas 2023.</p> <p>We are required to enter into good faith negotiations, recognising that the outcome could include potential changes to employee remuneration and be a significant cost pressure.</p> <p>In advance of formal bargaining MBIE and the PSA will conduct pre-bargaining discussions on areas of common interest to assist the smooth commencement of bargaining. It is anticipated that these conversations will largely revolve around the operation of the Career and Pay Progression (CAPP) framework that is a feature of MBIE’s current collective agreements. MBIE expects an initiation notice from the PSA in the first week of 2024, with formal commencement planned for late January.</p>

<b>eInvoicing</b>	<p>eInvoicing is the direct exchange of invoices between supplier and purchaser finance systems. We are rolling out eInvoicing in alignment with Australia and in consultation with a number of other countries across Asia and Europe. It is conservatively estimated that eInvoicing will deliver over \$4.4 billion in productivity savings for New Zealand over 10 years.</p> <p>It removes the requirement for manual invoice processing, saving significant time and money. It also helps businesses (especially small businesses) participate in digital trading and protects them from invoice fraud. By increasing the speed of invoice payments, it can improve cashflow for individual businesses and across the economy.</p>
<b>Annual Review</b>	<p>The Annual Review of MBIE’s performance, by Select Committees, is likely to take place in February 2024.</p> <p>You will be provided with MBIE’s written responses to questions from Select Committees.</p>

## 8. Key initial contacts and structure

### Key initial contacts

76. The key MBIE officials who will support your responsibilities as Ownership Minister are:



<p><b>Carolyn Tremain, Secretary for Business, Innovation and Employment</b></p>		<p>Privacy of natural persons</p>
<p><b>Richard Griffiths, Deputy Secretary Corporate Services, Finance &amp; Enablement</b></p>		



### Senior Leadership and business groups

77. The MBIE Senior Leadership Team includes the Secretary (Chief Executive), eight Deputy Secretaries responsible for individual business groups, plus the Chief Advisor to the Secretary.


78. MBIE's eight business groups that can be broadly divided across three categories.



Service delivery, operations and implementation, and regional investment		
Group	Deputy Secretary	Function
<p><b>Te Whakatairanga Service Delivery</b></p>	 <p>Suzanne Stew</p>	<p>Te Whakatairanga Service Delivery provides critical functions and services that support businesses, employees, and consumers to operate successfully in the marketplace. We deliver information, advisory, dispute resolution, regulatory and enforcement services across the majority of MBIE's regulatory systems and on behalf of other government agencies. Te Whakatairanga Service Delivery works to ensure Fair Markets that Thrive: an environment where businesses can succeed, and New Zealanders are protected.</p>

<p><b>Immigration New Zealand (INZ)</b></p>	 <p>Alison McDonald</p>	<p>Immigration New Zealand Te Rōpū Manene delivers the operational arm of the immigration system. We facilitate and protect New Zealand’s interests by granting visas to the people needed to work, visit, study, and settle here, ensuring that people crossing the border and staying in the motu are entitled to do so and helping refugees to make New Zealand their home.</p>
<p><b>Kānoa – Regional Economic Development &amp; Investment Unit (Kānoa – RDU)</b></p>	 <p>Robert Pigou</p>	<p>Kānoa supports the delivery of government funding to enhance economic development opportunities in regional New Zealand to build their economies, grow businesses and strengthen communities.</p> <p>Kānoa has strong regional knowledge, relationships, and presence. We work with other Government organisations and industries, communities, iwi and local government to manage and deliver government funds tailored to build our regional economies so they can grow and develop to reach their full potential.</p>

<p><b>Policy development, investment and implementation</b></p>		
<p><b>Group</b></p>	<p><b>Deputy Secretary</b></p>	<p><b>Function</b></p>
<p><b>Building, Resources and Markets (BRM)</b></p>	 <p>Paul Stocks</p>	<p>BRM leads policy development to ensure a fair, competitive business environment and well-functioning telecommunications, building and construction, small business, manufacturing, and resources sectors and operations. We also serve as the Government's Procurement System Leader and the Government's Property System Leader. BRM oversees many of the regulatory systems that govern Aotearoa New Zealand’s markets: commerce and consumer affairs; energy markets; minerals and petroleum; energy efficiency; communications; and building performance.</p>
<p><b>Labour, Science and Enterprise (LSE)</b></p>	 <p>Nic Blakeley</p>	<p>LSE helps boost the New Zealand economy by developing New Zealand’s skills system, science and innovation systems and labour market policy. It does this through advising on labour market, immigration, industry, investment, science, tourism, health and safety at work, and accident compensation policy. LSE supports major events, just transitions, leads the science and innovation system, and invests significant public funds. LSE works through international partnerships in its trade remedies, innovation, and space regulation functions. LSE also leads MBIE’s monitoring arrangements for its related Crown entities.</p>



<p><b>Te Waka Pūtahitanga (formerly Strategic Policy &amp; Programmes)</b></p>	 <p>Melanie Porter</p>	<p>Te Waka Pūtahitanga works across MBIE business groups, other agencies, partners and stakeholders, and provides key cross-cutting policy advice and delivers specific programmes relating to; Government’s long-term economic strategy; climate change, Māori economic development; and Pacific economic development.</p> <p>Te Waka Pūtahitanga also has an oversight role for regulatory stewardship, supporting MBIE to create and maintain regulatory systems that enable people, businesses, and future generations to thrive. This includes working closely with the Treasury, which has overall responsibility for regulatory management across government.</p>
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Corporate services, IT, and data analytics		
Group	Deputy Secretary	Function
<p><b>Corporate Services, Finance &amp; Enablement (CSFE)</b></p>	 <p>Richard Griffiths</p>	<p>CSFE works in partnership with MBIE’s business groups to enable them to deliver their objectives and portfolio responsibilities.</p> <p>CSFE supports the stewardship obligations of the organisation, for its people and its resources. It provides frameworks, tools and infrastructure to ensure that MBIE is a safe, inclusive, highly skilled and engaging place of work.</p> <p>CSFE supports the effective management of MBIE’s resources, including finance, procurement, risk management, control practices and processes.</p>
<p><b>Digital, Data and Insights (DDI)</b></p>	 <p>Greg Patchell</p>	<p>DDI is responsible for the data and insights, digital and technology functions within MBIE. The group partners with MBIE’s business groups to ensure MBIE has the data and technology to enable MBIE to deliver. DDI leads strategic direction for data assets and knowledge management, ensures cyber security of MBIE’s technologies, optimises information insights and data intelligence, provides digital capability and expertise, ensures the operational integrity of MBIE’s digital systems, and that digital and data efforts are aligned, efficient and effective.</p>

## Annex 1: Crown entities

MBIE has responsibilities in relation to a range of statutory entities. MBIE assists or provides advice to the responsible portfolio Minister in relation to: entity monitoring and performance; making board appointments; and administering relevant appropriations and funding.

MBIE manages appropriations for a range of entities, as set out in the table below.

Vote	Portfolio	Entity	OBU 2023/24 (\$000s)
Vote Business, Science and Innovation	Economic Development	New Zealand Trade and Enterprise   Te Taurapa Tūhono	262,598
		New Zealand Growth Capital Partners Limited	750
	Regional Development	Crown Regional Holdings Limited	3,818
	Commerce and Consumer Affairs	Commerce Commission	112,282 <sup>3</sup>
		Financial Markets Authority	76,234
		Takeovers Panel	1,694
		Retirement Commission   Te Ara Ahunga Ora	8,622
		External Reporting Board	8,730
	Energy	Energy Efficiency and Conservation Authority   Te Tari Tiaki Pūngo	333,012
		Electricity Authority	105,274
	Media and Communications	Crown Infrastructure Partners Limited <sup>4</sup>	52,000
	Science, Innovation and Technology <sup>5</sup>	Antarctica NZ	8,976
		Callaghan Innovation	267,155
		Health Research Council of New Zealand <sup>6</sup>	133,403
		AgResearch Limited	392,407
		Institute of Environmental Science and Research Limited	
		Institute of Geological and Nuclear Sciences Limited	
		Manaaki Whenua Landcare Research Ltd	
		National Institute of Water and Atmospheric Research Limited	
		The New Zealand Institute for Plant and Food Research Limited	
New Zealand Forest Institute Limited (trading as Scion)		9,350	
Research & Education Advanced Network NZ Ltd (REANNZ)			
Tourism and Hospitality	New Zealand Tourism Board   Manaakitanga Aotearoa	111,450	
Vote Labour Markets	ACC	Accident Compensation Corporation   Te Kaporeihana Āwhina Hunga Whara <sup>7</sup>	2,219,820
	Workplace Relations and Safety	WorkSafe New Zealand   Mahi Haumara Aotearoa	138,888
			<b>\$4,246,463</b>

MBIE also has responsibilities across other entities, such as Licensing Boards, Advisory Boards, Ministerial Advisory Committees, Dispute Resolution Boards, Charitable Trusts, Incorporated Societies, Authorities, and Statutory Boards.

<sup>3</sup> \$18.244m of the \$112.282m to the Commerce Commission relates to the Media and Communications portfolio

<sup>4</sup> MBIE manages policy support and appropriation while the Treasury monitors and appoints to.

<sup>5</sup> Crown Research Institute numbers are based on funding agreements.

<sup>6</sup> MBIE manages appropriation while Ministry of Health monitors and appoints to.

<sup>7</sup> MBIE provides policy support to ACC while the Treasury provides the monitoring role.