



## COVERSHEET

<b>Minister</b>	Hon Melissa Lee	<b>Portfolio</b>	Economic Development
<b>Title of Cabinet paper</b>	Major Events Fund Appropriation	<b>Date to be published</b>	15 July 2024

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
June 2024	Major Events Fund Appropriation	Office of the Minister for Economic Development
19 June 2024	Major Events Fund Appropriation EXP-24-MIN-0031 Minute	Cabinet Office

### Information redacted

**YES / NO** (please select)

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.

Office of the Minister for Economic Development  
Chair, Cabinet Economic Development Committee

### Proposal

1. This paper seeks the approval of:
  - a. An in-principle expense transfer of 2023/24 underspend of up to \$4.500 million from the Non-Departmental Other Expense: Sport and Recreation: 2023 FIFA Women's World Cup Multi Year Appropriation (MYA) to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA in 2024/25.
  - b. A fiscally neutral transfer of \$3.330 million from the Economic Development: Major Events Development Fund annual appropriation to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA. This is to correct an error where a previous Budget 2023 [Initiative No: 14651] increase was to be included.

### Background

2. Government invests in major events to secure and enhance targeted economic, cultural and social benefits. The last independent evaluation of the Major Events Fund (MEF) found it generated \$96.5 million in net economic benefit over a five-year period and was returning \$4.80 for every \$1.00 invested. Additionally, events were shown to be delivering social benefits and international profiling opportunities for New Zealand.
3. MBIE has implemented the government fiscal savings exercise and has found cost savings of \$1.94 million per annum from the MEF. At the time the cost savings initiative was approved, an uncommitted balance \$5.14 million through to June 2027 remained.
4. Cost pressures (driven by increasing global competition, general cost increases and pressures on local government event funding pools) have been leading to increasingly large investments being sought from the MEF by partners. At present, most of the MEF is likely to be committed by mid-2024. Any additional money will go into securing future events.
5. I have worked on this paper's proposal with the Minister for Sport and Recreation, as Minister with oversight over the Non-Departmental Other Expense: Sport and Recreation: 2023 FIFA Women's World Cup Multi Year Appropriation (MYA).

### **FIFA Women's World Cup underspend**

6. A separate appropriation under Vote Sport and Recreation was created to manage Crown investment into the FIFA Women's World Cup 2023 (FIFAWWC). This multi-year appropriation ends 30 June 2024.
7. The FIFAWWC appropriation comprised of:
  - a. An initial appropriation of \$25 million
  - b. A transfer from the MEF appropriation of \$15 million to offset cost pressures
  - c. A reprioritisation of funding from Vote Tourism of \$10 million to offset cost pressures
  - d. Tagged Sport NZ funding of \$5 million
  - e. Tagged Lotteries Grant Board funding of \$5.3 million.
8. An underspend (estimated at approximately \$4.5 million) sits in the FIFAWWC appropriation. This will be subject to confirmation of the amount in the October Baseline Update, following the presentation of the 2023/24 audited financial statements.
9. I am recommending returning the remaining FIFAWWC funding, originally transferred from the Major Events Development Fund 2022-2027 MYA in Budget 2022 (Initiative No: 14407), back to the MEF.

### **Opportunity to strengthen the Major Events pipeline**

10. Long lead-in time to events and competitive international bidding processes that govern event hosting allocations for many event properties means work to secure events must be actioned years in advance of an event's delivery.
11. There is a strong pipeline of events through to 2025, however confirmed event content is light in 2026 and 2027. The light 2026/27 event schedule is suboptimal after some very strong recent years, including three women's world cups. Funding is vital to resolve this. There are long lead in times to proactively prospect and secure events. Realistically, less than \$5 million could secure one large event during the 2026/27 period, or three smaller events over the same period.

### **Economic and Regional Development: Major Events Development Fund 2022-2027**

12. This paper also seeks to correct an error made when the previous Budget 2023 [Initiative No: 14651] increase was approved. This meant \$3.330 million was not applied to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA as intended. This correction is fiscally neutral.

### Financial Implications

13. This paper seeks approval of an in-principle expense transfer of up to \$4.500 million for funding currently within the Sport and Recreation: 2023 FIFA Women's World Cup MYA to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA.
14. This paper also seeks a fiscally neutral transfer of \$3.330 million from the Economic Development: Major Events Development Fund annual appropriation to the Economic and Regional Development: Major Events Development Fund 2022-2027. The payment will be fiscally neutral with no impact on OBEGAL.

### Population Implications

15. There are no population implications for this proposal.

### Consultation

16. MBIE prepared this paper. Treasury and Sport New Zealand were consulted. The Department of Prime Minister and Cabinet was informed.

### Communications

17. There are no planned communications for this proposal.

### Proactive Release

18. I intend to release the Cabinet paper proactively, subject to redaction as appropriate under the Official Information Act 1982.

### Recommendations

I recommend that the Committee:

- 1 **Agree** to an in-principle reprioritisation of up to \$4.500 million from Sport and Recreation: 2023 FIFA Women's World Cup MYA underspend and transfer to Economic and Regional Development: Major Events Development Fund 2022-2027 MYA.
- 2 **Authorise** the Minister of Finance and the Minister for Economic Development to jointly agree the final amount to be transferred to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA, as part of the October Baseline Update 2024, following the presentation of the 2023/24 audited financial statements, with no impact on the operating balance across the forecast period;

IN CONFIDENCE

	\$m increase/(decrease)				
<b>Vote Business, Science and Innovation Minister for Economic Development</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; outyears</b>
Non-Departmental Other Expense:  Sport and Recreation: 2023 FIFA Women's World Cup (MYA Expense)	(4.5)	-	-	-	-
Non-Departmental Other Expense:  Economic and Regional Development: Major Events  Development Fund 2022-2027 (MYA Expense)	-	4.5	-	-	-

- 3 **Approve** the following fiscally neutral adjustment to correct where a previous Budget 2023 [Initiative No: 14651] increase was to be included, with no impact on the operating balance and net debt:

	\$m – increase/(decrease)				
<b>Vote Business, Science and Innovation Minister for Economic Development</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28 &amp; Outyears</b>
Non-Departmental Other Expense:  Economic and Regional Development: Major Events Development Fund 2022-2027 (MYA Expense)	-	-	-	3.330	-
Economic Development: Major Events Development Fund				(3.330)	

Authorised for lodgement

Hon Melissa Lee

Minister for Economic Development