



Minister for Economic Development

Economic Development portfolio

Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2024

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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 2023 - 30 June 2024 results of relevant non-departmental appropriations for the Economic Development portfolio within Vote Business, Science and Innovation. The relevant appropriations are:

Non-Departmental Output Expenses

- *Economic and Regional Development: Auckland Pacific Skills (Multi-Year Appropriation)*
- *Economic and Regional Development: Operation of the Future of Work Forum*
- *Economic Development: Pacific Business Trust Procurement Support Service*
- *Economic Development: Supporting Just Transitions*

Non-Departmental Other Expenses

- *Economic Development: Major Events Development Fund 2022-2027 (Multi-Year Appropriation)*
- *Economic Development: New Zealand Screen Production Grant - International 2021-2026 (Multi-Year Appropriation)*



Hon Melissa Lee

Minister for Economic Development

13 / 10 / 2024

Statements of Performance

Non-Departmental Output Expenses

Economic and Regional Development: Auckland Pacific Skills (Multi-Year Appropriation)

Scope of Appropriation

This appropriation is limited to establishing and operating the Auckland Pacific Skills Shift programme.

Commences: 01 December 2020

Expires: 30 June 2025

Intention Statement

This appropriation is intended to achieve supporting Auckland Pacific peoples in low-skilled work to transition into quality employment by providing wrap-around support to impacted Pacific households and programmes to build capability of Pacific communities.

Assessment of Performance

Non-financial

Performance Measure	2022/23 Actual Result	2023/24 Budget Result	2023/24 Actual Standard
Number of progress reports received from implementing partners	4	4	4
Programmes are regularly monitored and evaluated against milestones	Achieved	Achieved	Achieved

Comment

Alo Vaka (The Auckland Pacific Skills Shift) is a four-year, \$22.06M programme which promotes the development of 'aiga- and community-centric approaches to address the impacts of precarious work conditions. It promotes labour market restructuring and greater agency within Pacific communities and households in South and West Auckland to chart out and achieve their economic aspirations.

Key milestones delivered for the year include:

- Delivery of 2,129 microcredentials, for a total of 4,947 microcredentials for the programme to date (exceeding the contracted delivery target of 4,500). Notably, the Future Ready microcredentials developed for Alo Vaka won the 'Best Adult Financial Education Product' award at the International Money Awareness and Inclusion Awards (MAIA) awards in May 2024. Additionally, 456 other training courses were also delivered, and 110 employers provided microcredential training opportunities throughout the year.
- 64 Uptempo Pacific 'aiga (families) totalling 376 people received targeted holistic economic support through the programme to enhance their economic future and resilience to labour market disruptions.

- Five new reports and case studies were delivered to share insights from Alo Vaka and how these can be scaled through policy, commissioning, mental model shifts and existing programme delivery to help agencies support Pacific families to achieve better employment outcomes.
- Ongoing refinement and piloting of the Good Employer Matrix (GEM) with eight government and private sector employers, officially launched in April 2024 which provides benchmarks to help employers improve attracting, retaining, and progression of Pacific workers.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	5,186	5,500	8,797	5,988

Comment

This appropriation is underspent by \$2.809 million (32%) year ended 30 June 2024 due to delivery delays. Some delivery milestones (and respective funding) from financial year 2023/24 will be shifted to be completed in financial year 2024/25.

Economic and Regional Development: Operation of the Future of Work Forum

Scope of Appropriation

This appropriation is limited to supporting social partner's involvement in the Future of Work Tripartite Forum and procuring research to support the forum's work programme.

Intention Statement

This appropriation is intended to achieve meaningful tripartite dialogue on policy matters related to the future of work in New Zealand; and a better understanding of how work will change in future, and how government policy might best support good work for all.

Assessment of Performance

Non-financial

Performance Measures	2022/23 Actual Result	2023/24 Budget Standard	2023/24 Actual Result
Quarterly reports delivered on time	Achieved	Achieved	Achieved
All research projects completed	-	Achieved	Achieved

Comment

Of the two research projects, one was completed in June 2024 and the second was completed in August 2024. This programme has now been closed.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	614	700	600	450

Comment

This appropriation is underspent by \$150,000 (25%) year ended 30 June 2024 due to the programme finishing in 2023/24 as the Government reprioritises the funding.

Economic Development: Pacific Business Trust Procurement Support Service

Scope of Appropriation

This appropriation is limited to establishing and operating the Pacific procurement capability programme at the Pacific Business Trust.

Intention Statement

This appropriation is intended to achieve building the capability of Pacific businesses to effectively bid for contracts in procurement processes to enable them to survive immediate impacts of COVID-19 and support their businesses to grow over the long term.

Assessment of Performance

Non-financial

Performance Measure	2022/23 Actual Result	2023/24 Budget Standard	2023/24 Actual Result
Programmes are regularly monitored and evaluated against milestones	Achieved	Achieved	Achieved

Comment

The Pacific Business Procurement Support Service (PPSS) programme is a targeted investment and capability-building programme for Pacific businesses participating in procurement processes, delivered by the Pacific Business Trust (PBT). The PPSS offers businesses a timely platform to access targeted support, skills and technology, enabling them to compete in and benefit from government investment in COVID-19 recovery projects. Initially set to conclude in December 2024, a decision was made to disestablish the programme concluding earlier on 30 June 2024.

In the construction sector workstream, 10 Pacific businesses received personalised procurement support services, 41 received professional procurement services, and 283 participants attended procurement-focused workshops during FY23/24.

In the professional services workstream, four Pacific businesses received personalised procurement support and 84 participants attended workshops in FY23/24.

The PPSS Mid-Year Report for 1 July – 31 December 2023 included a survey of 20 Pacific businesses, showing that procurement support through the PPSS contributed to a 20 percent revenue increase across these businesses (from \$6.54 million to \$8.12 million). An increase in Pacific facilitators delivering workshops in Pacific languages resulted in higher engagement, and positive feedback on the new format, delivery and style of workshops.

The PPSS Annual Monitoring and Evaluation Report 2023-24 indicated that the maturity and readiness of Pacific businesses was lower than expected. Nevertheless, the programme effectively helped these businesses improve their procurement capabilities and participation in procurement processes.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	2,352	1,250	1,250	1,250

Comment

The PPSS programme was originally scheduled to end in December 2024, however most of the delivery was planned to be completed by 30 June 2024. With the programme rescheduled for conclusion by 30 June 2024, all delivery and remaining milestone payments for the contract were rephased for completion within this period.

Economic Development: Supporting Just Transitions

Scope of Appropriation

This appropriation is limited to the provision of advice, funding and investment in regional and programme initiatives that will contribute to a just transition and accelerate its progress.

Intention Statement

This appropriation is intended to achieve supported and empowered communities that understand, plan and manage the economic transitions they face so that change happens in a way that is equitable and long-term well-being increases.

Assessment of Performance

Non-financial

Performance Measure	2022/23 Actual Result	2023/24 Budget Standard	2023/24 Actual Result
Increase local just transition planning capacity and capability and accelerate initiatives identified by the community	Achieved	Achieved	Achieved
Support Southland to further develop their regional development plans and identify opportunities following the closure of New Zealand Aluminium Smelters Limited	Achieved	Achieved	Achieved
Support Taranaki to complete the Taranaki just transition planning process and progress its implementation	Achieved	Achieved	Achieved

Comment

The Just Transitions programme has been formally disestablished. Five workstreams were concluded as at 30 June 2024, with four remaining. Three workstreams will be completed in the 2024/25 Financial year, with the remaining workstream completed in the 2027/28 Financial Year. MBIE will continue to manage the four remaining contracts until their end dates.

MBIE provided support to monthly governance group meetings and ensured contracts and initiative progression was monitored. This workstream has now been disestablished. MBIE provided support to Taranaki Iwi to complete the Taranaki just transition planning process and progress its implementation. The contract milestone has been achieved, and the report has been delivered. This programme has now been closed.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	3,234	2,500	360	340

Comment

This appropriation is underspent by \$20,000 (6%) year ended 30 June 2024.

Non-Departmental Other Expenses

Economic Development: Major Events Development Fund 2022-2027 (Multi-Year Appropriation)

Scope of Appropriation

This appropriation is limited to support for major events that provide economic, social, cultural and international profiling benefits to New Zealand.

Commences: 01 July 2022

Expires: 30 June 2027

Intention Statement

This appropriation is intended to achieve the funding of major events that provide benefits to New Zealand.

Assessment of Performance

Non-financial

Performance Measures	2022/23 Actual Result	2023/24 Budget Standard	2023/24 Actual Result
Percentage of events new to the Major Events Fund that align to the Statement of Investment Priority	80%	At least 75%	44%

Comment

Due to a lack of applications that aligned to the Statement of Investment Priority (SIP) over the 2023/24 reporting period, this Key Performance Indicator (KPI) was not achieved. However, events that generated significant wider benefits were approved for investment over the period and all approvals were consistent with approved delegations. In the next reporting period 2024/25, new Fund criteria will be introduced to replace the SIP, and a wider set of performance monitoring KPIs have been introduced.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	6,226	13,330	21,790	14,825

Comment

This Multi-Year Appropriation (MYA) is underspent by \$6.965 million (32%) for the financial year ended 30 June 2024. This MYA is from 1 July 2022 to 30 June 2027 with a total budget of \$58.856 million (including Post Budget 2024 savings target \$5.82million). At the end of 2023/24 total spend in the MYA is \$21.051 million and leaves \$37.805 million over the next three financial years. An approved cabinet paper has agreed to transfer the underspent from *Sport and Recreation: 2023 FIFA Women's World Cup MYA* (\$4.172 million) to this MYA and \$3.3 million from the annual appropriation. The MYA is managed as a total with yearly variances and within the 5-year timeline.

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Economic Development: New Zealand Screen Production Grant - International 2021-2026 (Multi-Year Appropriation)

Scope of Appropriation

This appropriation is limited to providing grant assistance to screen productions that are internationally focused and produced in New Zealand.

Commences: 01 July 2021

Expires: 30 June 2026

Intention Statement

The appropriation is intended to achieve economic and industry benefits to New Zealand, including employment and skill development opportunities by incentivising screen productions that would not otherwise have been made in New Zealand.

Assessment of Performance

Non-Financial

Performance Measures	2022/23 Actual Result	2023/24 Budget Standard	2023/24 Actual Result
Number of international screen productions submitting new registrations for the New Zealand Screen Production Grant	32	10	43

Comment

The 2023/24 result can be broken down as: 13 live-action productions and 30 PDV productions.

This measure is demand driven. The increase from the previous year's result is due to an increase in registrations in response to changes to the policy settings in November 2023 and demand shifts in originating markets.

The standard numbers for this measure are only used as a guide, actual numbers will fluctuate annually in accordance with the demand.

Financial

Expenses	2022/23 Actual \$000	2023/24 Estimates \$000	2023/24 Supplementary Estimates \$000	2023/24 Actual \$000
Total Appropriation	178,053	92,032	220,493	212,674

Comment

This Multi-Year Appropriation (MYA) is underspent by \$7.819 million (3.5%) for the financial year ended 30 June 2024. This MYA is from 1 July 2021 to 30 June 2026 with a total budget of \$892.691 million. At the end of 2023/24 total spend in the MYA is \$531.167 million and leaves \$361.524 million over the next two financial years.