
Statement of Intent

2011-2014

Ministry of Science + Innovation
TE PŪNAHA HIRINGA WHAKAEA



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TE PŪNAHA HIRINGA WHAKAEA

Presented to the House of Representatives
pursuant to Section 39 of the Public Finance Act 1989

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Minister's foreword

Science and innovation are at the heart of our future. Over the last three years, we have worked hard to ensure that we get maximum value from our investment into research and science so that great ideas can make the transition from the laboratory and the workshop to the marketplace.

For three years the Government has introduced a phased strategy aimed at transforming our science and innovation sectors. In 2009 we set clear science priorities, and increased funding for fundamental research.

Last year, we boosted funding for business research and introduced the new Technology Development Grants and Technology Transfer Vouchers. We also adopted the recommendations of the CRI Taskforce which has given Crown research institutes a new sense of purpose and direction.

The formation of the Ministry of Science and Innovation (MSI) is the latest in a series of changes the Government has made to New Zealand's science and innovation systems.

Recent data from Statistics New Zealand has shown the success of these measures. Research investment by businesses, government and universities has increased by 10 percent. This will result in a larger and deeper export base for the economy.

For 2011 the priority is strengthening the connections between the business, science and government sectors. This will bring together researchers, entrepreneurs,

business people, and financiers—all of whom are needed to turn good ideas into export successes.

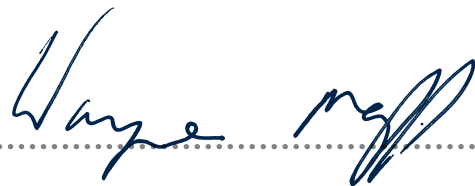
MSI's connecting role requires it to have strong links with, and understanding of, science and business.

This, in turn, will give the science and innovation systems the ability to leverage international linkages. MSI will work with other agencies to support New Zealand businesses in making the most of opportunities in new markets.

Two new boards have been established—one for science and one for innovation. They comprise leaders from these sectors. Their role is to make decisions around contestable funds. They will also provide advice to MSI and the government on the shape and direction of the science and innovation sectors.

The Ministry will also work with other government agencies to ensure innovation policy and strategy are aligned to support the Government's Economic Growth Agenda. MSI will also work with regional agencies and sector bodies.

The Government has high expectations for MSI. New Zealand's future relies on a high-performing public science system and a business sector committed to innovation. Together they support economic growth and are responsive to the country's needs and opportunities. I look forward to working with the new Ministry as it works to create the conditions for innovation to flourish.



Hon Dr Wayne Mapp
Minister of Science and Innovation

Chief Executive's introduction

I am proud to present the Ministry of Science and Innovation's first Statement of Intent 2011-2014 in which we outline how we will respond to Government's priorities for science and innovation, and how we will be held to account on delivering results.

We have an ambitious mandate to build high-performing science and innovation systems that help transform New Zealand into a more diverse, technologically advanced, smart nation.

With that mandate in mind our three year work programme signals a significant shift from what has been done in the past.

We are a new Ministry. We started in February 2011 as a result of the amalgamation of the Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology.

We are bringing the best of those two agencies together so we can make real gains from combining strategy, policy and investment functions. But we are also creating something new in this Ministry of Science and Innovation (MSI). At the time of signing this Statement of Intent I am still in the process of appointing the new senior management team and plan to engage them in the strategic direction of MSI over the next year.

MSI is the main government body providing advice on the science and innovation systems, and has overall responsibility for managing the Government's investment in research, science and technology through Vote Science and Innovation.

In these challenging financial times, we need to be thinking much more strategically about the way we operate and the way we create and grow our science and innovation systems. The key roles for us are providing government with advice on how science and innovation can contribute to growing the economy, and ensuring that government funding is being used effectively and efficiently.

We also have new roles. A key one is fostering innovation by bringing together the 'triple helix' of industry, science and government. This environment is where innovative ideas, wherever they are generated,

flourish and deliver results for New Zealand.

Government can create the conditions for innovation to flourish but it cannot, acting alone, build an innovative and smart nation. This requires partnerships and connections across and outside of government.

Building these connections and optimising the performance of the innovation system will be MSI's main challenge in the first years of its operation—as will be building new capabilities, new systems and new cultures which help to better align government priorities and R&D investment. In this respect the building of strong relationships with key Ministries will be a top priority.

MSI will assume a new role in regard to Crown research institutes (CRIs). Over the next year we will assume primary responsibility for financial and non-financial monitoring of CRIs, and reporting to shareholding Ministers. This will be an important function given CRIs' pivotal role in the innovation system alongside that of universities and other research-focused organisations.

An important role is also our involvement on the international stage. We need to become much more globally connected, both in terms of our science and also in finding ways to assist our businesses to be more competitive globally. MSI will continue to strengthen New Zealand's international science and innovation linkages through relationships with countries of strategic priority. And MSI will support critical science infrastructure, foster scientific talent and work to lift the capability of New Zealanders to engage with science and innovation.

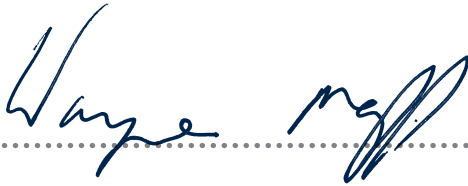
Our programme of work, outlined in the following pages, presents us with exciting challenges. I am confident that MSI is ready to meet these challenges.



Murray Bain
Chief Executive
Ministry of Science and Innovation

Ministerial statement of responsibility

I am satisfied that the information on future operating intentions provided by my department in this Statement of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Dr Wayne Mapp
Responsible Minister for Ministry of Science
and Innovation

Chief Executive's statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry of Science and Innovation. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2011/12 Estimates) Bill as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Murray Bain
Chief Executive



Keith Hilligan
Chief Financial Officer

Purpose, role and scope

Mission Science and innovation creating benefit for New Zealand

Vision High-performing science and innovation systems improving New Zealanders' wealth and wellbeing

Our purpose

MSI's purpose is to increase New Zealand's economic, environmental and social performance by driving science and innovation.

Our Māori name, **Te Pūnaha Hiringa Whakaea**, speaks strongly about who we are and what we are tasked to do.

Te Pūnaha means system or group: the connection point; careful consideration.

For MSI this means building networks.

Hiringa is about the highest levels of discussion or knowledge; and also means inspiration, perseverance and energy.

For MSI this means showing leadership.

Whakaea is to realise huge potential; to achieve an ambition; to bring something to fruition.

For MSI this means having impact.

Our role

MSI was established on 1 February 2011 through an amalgamation of the Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology.

The rationale was to reduce duplication, simplify the multiple lines of accountability, and give greater clarity about lead agency responsibilities.

Cabinet agreed that the benefits of the amalgamation are:

- Establishing a single entity that can act as the Government's lead agency on the science system and contribute to the oversight of New Zealand's innovation system
- Ensuring that consistent and aligned strategy drives the allocation of resources to New Zealand's science and innovation systems
- A single entity that could make public funding for science and innovation more responsive to sector needs, and closer to government
- Reducing complexity and transaction costs across the science and innovation systems
- Delivering efficiency gains in the delivery of science and innovation funding
- Improving policy development through more direct links to the science, business and research communities
- Increasing critical mass and building capability within a small but viable platform.

MSI is the Government’s lead agency with responsibility for stewardship of the New Zealand science system and its interactions with the wider New Zealand innovation system.

It has been charged with leading a leaner and more responsive support system for New Zealand’s scientists, entrepreneurs and exporters¹. To achieve this objective, we work with, and through, a variety of other agencies to create an environment in which strategy, policy and investment align.

MSI’s role in innovation is linked to our focus on science, which is about the facilitation of knowledge creation, diffusion, absorption and uptake. Therefore, we are interested in supporting innovation in systems and organisations of all types (social, environmental and economic).

But we have a particular focus on driving and supporting innovation in the business sector because new products and services, and new ways of doing business and accessing markets are critical for economic growth. Our roles include:

- Providing ownership advice and monitoring of New Zealand’s eight CRIs
- Aligning our investments and operations with those of agencies within the science and innovation systems in order to achieve common objectives and goals
- Facilitating and promoting greater impact and use of science
- Supporting research users and providers to ensure that research is translated into products, processes and policies which can be adopted to yield economic, social and environmental benefits
- Supporting the Science and Innovation boards to assist them in their task of making allocation decisions between competing proposals.

[Page 20 describes these roles in more detail and how we will measure our performance]

Strategic leadership in the science and innovation systems

- Developing system-level statements of priorities
- Providing advice on science and innovation systems development
- Setting priorities for investments in business-led research and development, and public good science
- Publishing sector investment strategies that will guide investment decisions
- Contributing to other government processes with a science and innovation component: including the Economic Growth Agenda, rebuilding Christchurch, the Auckland project, the Māori Economic Taskforce work programme, and the Green Growth work programme.

Science and innovation systems management

- Making and managing approximately \$736 million worth of investments in business-led research and development, and public good science
- Monitoring and evaluating the performance of our investments and other funding and investment agents to ensure they are delivering the objectives and results expected

Building networks

The way we work is important, given the complex nature of the science and innovation systems and the myriad of agencies within them. A key role of MSI is brokering and facilitating the relationship between government, research organisations and those who use science and innovation, particularly business (see figure 1). A crucial role is co-ordinating with other agencies to ensure science and innovation strategy and policy is coherent and integrated.

FIGURE 1: BUILDING NETWORKS



1 Prime Minister Rt Hon John Key, Statement to Parliament, 8 February 2011

MSI is a small agency with approximately 140 staff. To achieve our strategic intent we will have to work with and through others. An important role is therefore to facilitate, broker and connect key players in the science and innovation systems (see figure 2).

The types of relationships MSI seeks to build are:

- **Strategic partners** – we work with a range of other organisations to define the direction and focus of New Zealand’s science and innovation systems, and ensure greater alignment of Crown investment in line with our common priorities

- **Funding agents** – we engage closely with funding decision makers to ensure that decision-making is in line with Government directions
- **Delivery partners** – we engage, fund and monitor a wide variety of research organisations, industries and businesses that produce research, science, innovative solutions and commercialisation opportunities. Such partners also include the new National Network of Commercialisation Centres.

FIGURE 2: MSI LINKAGES



Our scope

We are responsible for administering Vote Science and Innovation on behalf of the Minister of Science and Innovation.

The Minister oversees the Government’s ownership interest in MSI and is the Minister responsible for the Vote.

A crucial aspect of our work is to ensure the investment made in science and innovation yields appropriate benefits to New Zealand.

See figure 3 for the approximate breakdown of Vote Science and Innovation expenditure across both the departmental and non-departmental appropriations. Figure 3 shows how we use ‘departmental funding’ to influence the outcomes delivered by ‘non-departmental funding’.

FIGURE 3: VOTE SCIENCE AND INNOVATION 2011/12



Strategic direction

Key opportunities and challenges

The Government's goal is to grow the economy to deliver greater prosperity, security and opportunities to all New Zealanders². It aims to do this by building exports, building savings and investment, and building skills and knowledge³.

Like other countries, New Zealand faces pressures as the global economy emerges from recession. The international economic and financial environment will continue to be an important determinant of our economy's performance. While the prospects look positive for our export sectors, we are hampered in our recovery by relatively low productivity and investment (including in R&D). We are also far from markets, which creates barriers for our businesses as they seek to 'scale up' by exporting globally and internationalising their growth.

In the short- to medium-term the rebuilding of Christchurch, following earthquake damage, will present a considerable domestic challenge. A number of New Zealand's largest high technology businesses are located in Christchurch and MSI has made significant R&D grants to many of these companies.

MSI has been working closely with New Zealand Trade and Enterprise (NZTE) and regional partners to monitor and support affected client companies to ensure they remain viable over the short- and medium-term. We have put in place a support package which includes flexibility in our contracting and are also exploring tangible means of retaining and attracting skills in Christchurch to support the innovation sector. MSI is also working with others to promote the concept of redeveloping Christchurch as a high technology city.

In addition MSI is responding to the earthquake by ensuring that its significant investments in the Natural Hazards Platform will support Christchurch's recovery. We have reprioritised funding to earthquake science in order to better understand the nature of the risk to Christchurch and provide practical assistance to the recovery effort.

A combination of growth in the primary sector and further investment in the high value manufacturing and services sector will be required to grow the New Zealand economy in the same way that other research-intensive countries have successfully added new areas of capability to their traditional export strengths to improve economic performance. Supporting economic diversification to deliver export-led growth is an underlying objective in many of MSI's activities.

New Zealand is well positioned to respond to new opportunities such as the global shift towards 'green economic growth' and increasing consumer demand for products and services delivered in an environmentally sustainable way. There are opportunities to leverage our valuable 'clean and green' credentials, our know-how in agri-technologies and environmental technologies, and our long-standing expertise in efficient primary production.

There are many shared interests between the Crown and Māori from a science and innovation perspective. Māori are significant natural resource owners, with an interest in the sustainable management of these resources to protect the environment and ensure long-term, inter-generational prosperity.

Given diverse opportunities and challenges, MSI will work toward two high-level (government priority) outcomes:

- Growing the economy
- Building a healthier environment and society

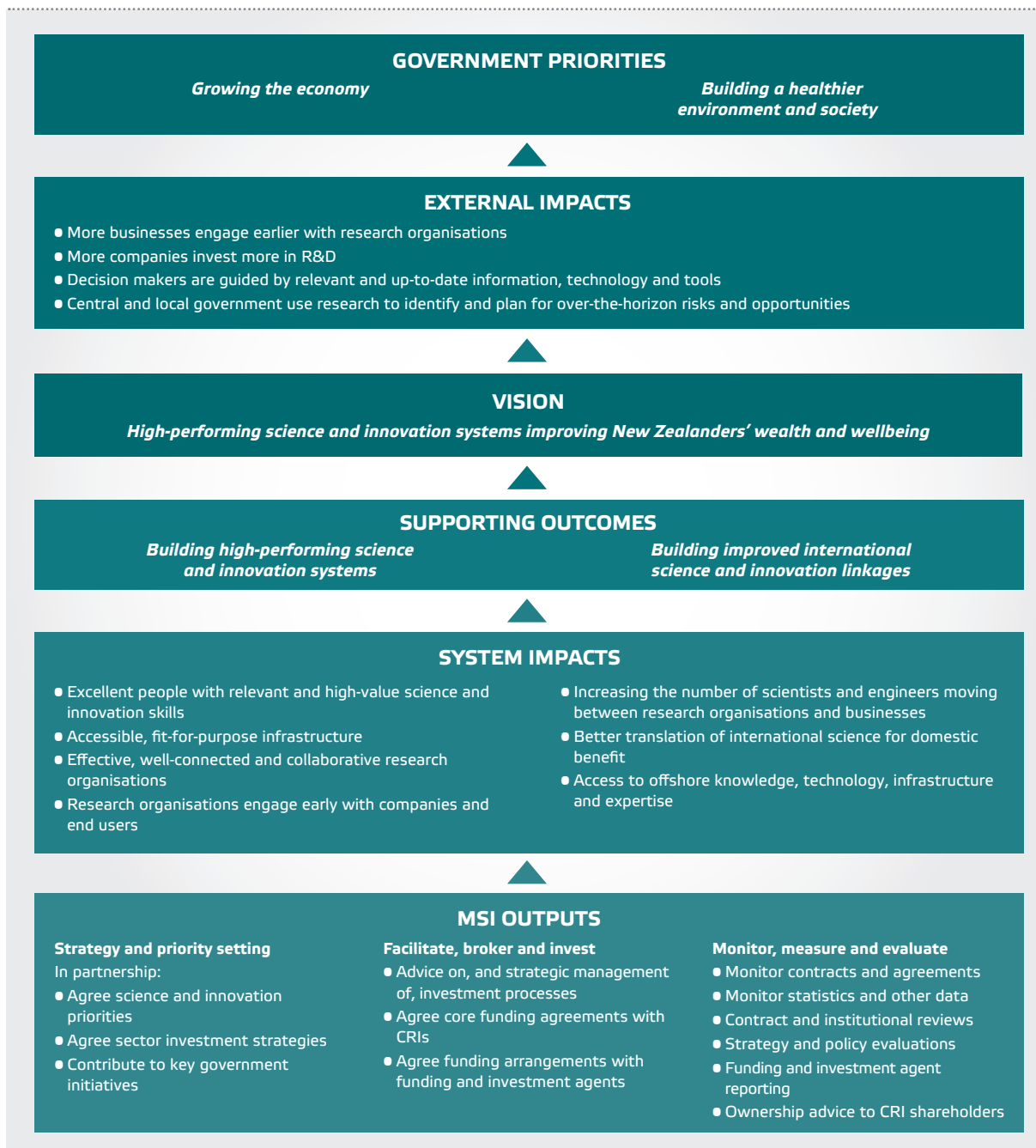
Figure 4 (page 11) describes how MSI will work to achieve the two high-level government priorities.

MSI will focus on our vision, 'High-performing science and innovation systems improving New Zealanders' wealth and wellbeing.' This will be achieved by focusing on our supporting outcomes, 'Building high-performing science and innovation systems', and, 'Building improved international science and innovation linkages.'

2 Prime Minister Rt Hon John Key, Statement to Parliament, 9 February 2010

3 Prime Minister Rt Hon John Key, Statement to Parliament, 8 February 2011

FIGURE 4: PERFORMANCE FRAMEWORK (OUTCOMES, IMPACTS, OUTPUTS)



Priority 1: Growing the economy

More New Zealand businesses contribute to economic growth through diversification and improved productivity achieved by increased R&D and innovation.

What are we seeking to achieve?

MSI will work directly with companies to incentivise and support them to:

- Invest more in, and facilitate access to, R&D and other business assistance services
- Spark innovation in low tech firms
- Tighten the investment and performance of public R&D so that it has greater impact overall.

The goal is to significantly increase the number of large-scale technology and global market-savvy exporting companies through R&D.

MSI will also facilitate and broker constructive collaborative relationships between businesses and research organisations to ensure that knowledge is effectively transferred to users.

MSI will work in partnership with the Ministry of Economic Development (MED) and NZTE to achieve these goals. An important aspect of this approach is the ongoing extension of the MSI/NZTE Joint Engagement Plans programme—both agencies have worked together to develop joint plans for businesses. This enables support to be tailored to each business' needs and for that support to be aligned with the shared outcomes of MSI and NZTE.

What does success look like?

If we are successful a number of impacts will occur:

- Commercialisation capability and business productivity and competitiveness grow
- New Zealand businesses export a wider range of new products and services into a growing number of international markets
- Businesses engage earlier and more frequently with research organisations
- Technology and knowledge transfer from research providers to New Zealand's productive sectors is increased
- More businesses invest more in R&D.

We will know we are successful if:

- The absolute value of business expenditure on R&D (BERD) increases. BERD was \$1,013m in 2010⁴
- BERD as a percentage of GDP increases. BERD as a percentage of GDP was 0.54 percent in 2010⁵
- The number and aggregate value of businesses that are defined as technology intensive increases. This measure will be developed further but, as an interim step MSI tracks the number of businesses defined as performing R&D. In 2010 it was 2,818⁶
- The value of New Zealand exports that are based upon high technology products grows. In 2000 the value of high- and medium/high-technology exports from New Zealand were NZ\$4.45 billion⁷.

4 Statistics New Zealand "Research and Development in NZ 2010" (Biennial R&D Survey)

5 Statistics New Zealand

6 Statistics New Zealand

7 Statistics New Zealand

What will we do to achieve this?

1. Strategic initiatives

Implement the findings of the High Value Manufacturing Review

- Work with other government agencies such as MED, Treasury and NZTE to provide a government response to the High Value Manufacturing Review.
- Work in partnership with Industrial Research Ltd and other research organisations to implement the findings of the High Value Manufacturing Review.

Increase momentum of business support

- Expansion of our joint engagement plans with NZTE. During the year ended 30 June 2012 we will work with NZTE to lift the number of joint engagement plans from the current level of 116.
- Contract an additional \$45-50 million in Technology Development Grants during the 2011/12 financial year leveraged at 5:1.
- Expand the range of the Technology Transfer Voucher by accrediting at least six more research organisations by 31 December 2011.

Commercialisation and technology transfer

- Establish the National Network of Commercialisation Centres (NNCC) by 31 December 2011 with links to research organisations, regional development agencies, entrepreneurs and incubators to be in place by 30 June 2012.
- Work with the Ministry of Health (MOH) and MED to ensure that MSI investments in health products and services are aligned to support the ability of Health Innovation Hubs to increase technology transfer by 30 June 2012.

2. Strategy development and prioritisation

- Work with our strategic partners to develop a Statement of Science priorities for the Government by 30 November 2011.
- With innovation partners such as MED and NZTE develop and agree a Statement of Innovation priorities for the Government by 31 March 2012. This will set out the steps needed to optimise business R&D.
- Contribute to key government initiatives such as the Economic Growth Agenda, the Christchurch recovery, the Auckland strategy, the Māori Economic Development Taskforce and other priorities as agreed with the Minister.

- Work with our strategic partners to develop, agree and start to implement sector investment strategies for
 - High Value Manufacturing by 31 August 2011
 - Biological Industries by 30 September 2011
 - Energy and Minerals by 30 June 2012.

3. Facilitate, broker and/or invest

- Provide advice on, and strategic management of, the investment processes to support the Innovation board investing annually through contracts with research providers and businesses through grants, vouchers and other investment processes.
- Provide advice on, and strategic management of, the investment processes that will support the Science board investing annually through contracts with research providers in the areas of high value manufacturing, biological industries, energy and minerals.
- Agree core funding arrangements with relevant CRIs.

4. Monitor, measure and evaluate

- Monitor both existing and new contracts to ensure they remain on track to deliver their outcomes and critical steps.
- Recommend corrective actions for all contracts that are assessed as at risk, and monitor the implementation of these actions.
- Evaluate the phased implementation of the Technology Transfer Voucher by December 2011.
- Monitor the R&D intensive companies with MSI/ NZTE joint engagement plans to ensure that improved results occur in terms of increased turnover, exports, expenditure on R&D and employment.
- Conduct independent evaluations of investments with research providers and businesses to measure the extent to which these investments have an economic impact.

Innovation has been defined by the OECD as the implementation of a new or significantly improved product (good or service) or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations.

Priority 2: Building a healthier environment and society

Environmental, health and social policies, regulation and programmes are improved by a sound scientific evidence base.

What are we seeking to achieve?

To ensure New Zealanders have access to a healthy natural environment for the long term requires the effective management, protection and enhancement of New Zealand's natural ecosystems, land and freshwater resources.

It is important to New Zealanders that the economy grows and that health and social wellbeing improves as a consequence but not at the expense of sustainable environmental limits. Sound scientific evidence must underpin policies, regulations and programmes.

MSI will work with environmental, health and social policy makers and service delivery agencies to identify what research and scientific questions are the important ones for New Zealand to address. Together we will prioritise these questions and where applicable fund answers in partnership with others.

By increasing our focus on knowledge and technology transfer, we expect environmental, health and social policy makers and service delivery agencies to have better access to scientific information, methodologies and tools to inform their day-to-day business.

The earthquake in Christchurch underlines New Zealand's vulnerability to natural disaster and hazards. The resilience of communities can be improved by new tools and knowledge that will enable better management of hazards and the development of more durable infrastructure.

What does success look like?

If we are successful a number of impacts will occur:

- Decisions on managing New Zealand's environment, hazards and infrastructure at both regional and central government level are guided by relevant, high quality and up-to-date information, methodologies and tools
- Publicly-funded health and social programmes integrate relevant, high quality and up-to-date information, methodologies and tools in their operations
- Central and local government agencies use research to identify and plan for over-the-horizon risks and opportunities.

We will know we are successful if:

- There is increased use of the results of research funded through Vote Science and Innovation in environmental, health and social policy making, regulation and service delivery by relevant government departments and regional councils
- Case study information shows that Vote Science and Innovation funded research has led to improvements in environmental, health and social policies, regulation and service delivery
- Annual reporting information shows increases in the levels of co-funding by relevant government agencies, district health boards and regional councils in the research funded by MSI within the Environment, Health and Society funds.

What will we do to achieve this?

1. Strategic initiatives

- MSI will work with the Health Research Council (HRC), the Ministry of Health and other health agencies through 2011/12 to optimise the contribution of health research to the Government's economic goals. This work will be completed by June 2013.
- Align and improve freshwater management in New Zealand over the 2011/12 year through our contribution to the New Start to Fresh Water programme jointly led by the Ministry for the Environment and the Ministry of Agriculture and Forestry (MAF).
- MSI responds and contributes to key government initiatives such as the Christchurch recovery, the Green Growth Agenda and other priorities as agreed with the Minister.

2. Strategy development and prioritisation

- Develop with our strategic partners, a Statement of Science Priorities for the Government by 30 November 2011.
- Develop and agree with our partners and start to implement sector investment strategies for:
 - Environmental research including land and freshwater, marine, terrestrial ecosystems, climate and atmosphere and Antarctica by 30 June 2012
 - Hazards and Infrastructure research by 30 June 2012
 - Health and Society by 30 June 2012.
- Remodel the Envirolink scheme (Envirolink Plus) to increase knowledge and technology transfer by 31 March 2012.
- Provide advice on the need for two further 'link' schemes, similar to the Envirolink scheme, to increase knowledge and technology transfer by 30 June 2012.
- Coordinate the development of a pan-sector strategy for investment in one environmental area (eg freshwater) by 31 January 2012.

3. Facilitate, broker and/or invest

- Provide advice on, and strategic management of, the investment processes that will support the Science board investing annually through contracts with research providers in the areas of environment, hazards and infrastructure and health and society.
- Agree core funding arrangements with relevant CRIs and the output agreement with the HRC.

4. Monitor, measure and evaluate

- Monitor and take corrective actions as necessary for all Vote Science and Innovation contracts relating to the Environment, Hazards and Infrastructure and Health and Society funds.
- Monitor HRC's quarterly reports and report to the Minister on performance.
- Evaluate a set of Environment Fund investments by 30 June 2012.

Supporting outcome 1: Building high-performing science and innovation systems

New Zealand’s science and innovation systems deliver high quality, relevant knowledge and technologies that are applied widely in society.

What are we seeking to achieve?

Efficient and effective science and innovation systems are essential if New Zealand is going to have the knowledge and expertise to achieve our economic, environmental and social goals as a nation. Efficient and effective systems are made up of:

- Excellent people
- Fit-for-purpose infrastructure
- Effective and well-connected research organisations.

In supporting this outcome MSI will be seeking to support and influence the science and innovation systems to be well connected, responsive, of adequate scale and efficiently managed. We will do this by working in partnership with all parties, particularly in the education sector, to identify national issues and opportunities to support strategic development of national capability.

Science and innovation are increasingly global activities and New Zealand must attract and retain world-class scientific and entrepreneurial talent. We will do this by having, where possible, comparable world-class conditions to make New Zealand attractive to highly talented scientists, and by focusing top talent in priority areas.

New Zealand is small on the world stage and therefore has to prioritise the purchase of expensive equipment and infrastructure. We will continue to encourage and support co-investment partnerships between research institutions with the necessary skills and capacity, with the goal of providing the advanced research infrastructure and associated services essential to New Zealand’s research capability. MSI will work with the science and innovation system players to ensure that New Zealand’s science and innovation infrastructure and related resources are strategically managed.

What does success look like?

If we are successful a number of impacts will occur:

- Publicly-owned research organisations are effectively governed and financially viable
- Research organisations seek early engagement with companies and other end users to shape their research ideas and deliver relevant products
- Fit-for-purpose infrastructure
- New Zealand has more people with relevant science and innovation skills
- Skilled people move freely between the business sector and research organisations, and collaborate across agencies.

We will know we are successful if:

- The proportion of the labour force possessing science and innovation centred skills, experience and qualifications increases. The number of people employed within professional, scientific, technical administrative and support services was 236,400 in 2010⁸.
- Utilisation, accessibility and quality of national assets within the science infrastructure increases. This will be a new measure and a baseline will be established over 2011/12
- Survey results indicate that the science and innovation systems are:
 - increasingly accessible; and
 - responsive to government and end users.

8 Statistics New Zealand

- Increased levels of the internationally accepted measures of science quality such as:
 - publications and citation rates. In 2007 the number of publications per researcher was 0.43⁹
 - patents worldwide. In 2008, 886 patents were granted to New Zealanders worldwide¹⁰
 - international collaboration. Between 2007 and 2010 the number of international collaborations supported grew from 1,354 to 2,476¹¹
- Develop over the next year a measure to reflect the movement between research organisations and business, and the degree of collaboration between agencies. Over 2011/12 we will continue to measure the number of internships with businesses funded by TechNZ. In 2010/11 TechNZ supported 193 internships.

What will we do to achieve this?

1. Strategic initiatives

CRIIs

- Provide policy advice on options for achieving competitive advantage, cost efficiencies and improved strategic alignment.

Contestable funding review

- A review of contestable funding to enhance the effectiveness of our interventions in delivering impact to be completed by 30 November 2012.

Infrastructure

- Implement the National e-Science Infrastructure (NeSI) from 1 July 2011.
- Implement the open data policy statement for environmental data in all Environment Fund investment processes from 1 October 2011.

Top Talent

- Contribute to the development of a Top Talent strategy that builds national capability aligned with science priorities by completing a review of the Advanced Skills Action Plan by 30 September 2011.
- Complete the first round of applications for the Entrepreneurial Fellowships scheme by 31 October 2011.
- Complete an evaluation of the Rutherford Scholarships by 31 December 2012.

Vision Mātauranga

- Supporting iwi and Māori organisations to develop science and innovation strategies.

2. Strategy development and prioritisation

- MSI will complete a five year strategy on science and innovation direction for the sector by 30 November 2011.
- MSI will work with the Ministry of Education to develop an approach to optimise the contribution of education, particularly tertiary education, to the science and innovation systems by 30 June 2012.
- In partnership with the sector, provide advice on New Zealand's infrastructure needs and priorities by 30 June 2012.
- Contribute to key government initiatives such as increasing shared services and other priorities as agreed with the Minister.

3. Facilitate, broker and/or invest

- Provide advice on, and strategic management of, the investment processes in areas such as e-science, infrastructure, measurement standards and building Māori research capability.
- Agree core funding arrangements with relevant CRIIs.
- Agree contracting arrangements with the Royal Society.

4. Monitor, measure and evaluate

- Provide ownership advice to shareholders on the intentions of CRIIs.
- Provide monitoring information and advice to shareholders on the performance of CRIIs.
- Monitor and agree corrective actions for all contracts with the Royal Society such as the Marsden Fund and Fellowships for Excellence.

9 MoRST National Bibliometric Report 2002 -2007

10 World Intellectual Property Organisation (WIPO) Database

11 FRST, HRC and RSNZ contract data.

Supporting outcome 2: Building improved international science and innovation linkages

New Zealand is recognised as a smart nation internationally. Participation in international science and innovation partnerships deliver significant benefits for New Zealand.

This is a shared outcome with MED, NZTE and the Ministry of Foreign Affairs and Trade (MFAT). Improved international linkages allow New Zealand businesses to benefit from trade and the flows of investment, skills and technology. Science and innovation are key drivers of the Government's Economic Growth Agenda. Both have international dimensions.

Effective international research collaborations also extend our science capabilities and create opportunities for successful technology transfer. It enables members of our scientific community to share data expertise and knowledge and gain access to infrastructure not available in New Zealand.

What are we seeking to achieve?

We can do more to:

- Take more New Zealand science and innovation to scale, and extend our onshore scientific and entrepreneurial capability through international connections
- Identify and prioritise partnerships that enhance New Zealand's international relevance and position us globally as a smart nation
- Scale-up the contribution that science and innovation can make to New Zealand's trade, diplomacy and aid objectives.

What does success look like?

We will know we are successful if:

- New Zealand has improved access to, and makes greater use of, relevant international science, technology and expertise for domestic application and benefit
- New Zealand is recognised as a smart nation internationally
- New Zealand scientists and entrepreneurs improve their capability and knowledge through translation of offshore science, technology and expertise
- New Zealand scientists and entrepreneurs have improved access to offshore capital, infrastructure and expertise.

These impacts will be measured in the following ways:

- Annual reporting data will track levels of international collaborations for research organisations
- Surveys can provide qualitative information on changes in the nature and impact of international engagement by New Zealand-based scientists, engineers and entrepreneurs.

What will we do to achieve this?

1. Strategic initiatives

Positioning New Zealand in the world

- Contribute to the NZ Inc strategies under development to guide New Zealand's offshore activities
- Finalise a framework with MFAT, MED and NZTE for prioritising our collective offshore engagements, and agree a small set of priority countries with which our agencies will focus our resources and effort
- Develop MSI action plans for priority countries by 30 November 2011.

Increasing impact of offshore activities

- Explore the potential for greater shared services offshore with NZTE and MFAT with a view to increasing MSI's international presence by 31 August 2011
- Review MSI international science and innovation commitments and prioritise these by 31 January 2012
- MSI also manages New Zealand's input into the government-to-government science and technology co-operation agreements. During 2011/12 there will be joint country meetings to determine the two year workplans for the following agreements:
 - China (September 2011)
 - Europe (January 2012)
 - United States (April 2012).

Partnering bilaterally and multilaterally

- At least one substantial international science and innovation collaboration is scoped by 31 August 2011
- At least one substantial science and innovation collaboration is under way by 31 May 2012
- Explore the potential for a partnership agreement with the Danish Institute of Technology by 31 March 2012.

2. Strategy development and prioritisation

- Contribute to key government initiatives as agreed with the Minister.

Operating intentions

MSI’s contribution to the outcomes described in the previous section is achieved through the impacts of our areas of focus and the work we do as a Ministry.

Performance measures

What MSI will do to achieve, contribute to, and facilitate sector outcomes

Table 1 (below) outlines what MSI will do to ensure its outputs contribute to, and facilitate the achievement of, sector outcomes and deliver cost effective services. The measures derived from this table are included in the Estimates along with specific measures on quantity, timeliness, quality and cost, including annual targets.

TABLE 1: PERFORMANCE MEASURES

		What actions will we take?	How success is measured
Strategy development and prioritisation	Strategic leadership	In partnership with the sector and other government agencies develop and publish the Statement of Science Priorities and the Statement of Innovation Priorities. Develop strategies relating to high level system design and performance such as Vision Mātauranga, infrastructure and international.	The annual science and innovation systems survey measures MSI’s ability to facilitate, broker and lead.
	Policy advice system	Provide strategic system level advice to the Minister on how to improve performance of the science and innovation systems.	The six-monthly Ministerial survey to test the quality and timeliness of advice received.
	Sector strategies	Work with research organisations and end-users to develop research and innovation strategies that identify key research questions and opportunities for investment.	The annual science and innovation system survey measures the extent to which MSI is seen as working effectively with stakeholders to develop key research questions.

	What actions will we take?	How success is measured	
Facilitate, broker and/or invest	MSI science investment	Support the research community by the development of RFPs (based on research questions), seek and assess investment applications and provide advice to the Science board on investment decisions. Identify and contract for the specific objectives and milestones.	Board satisfaction is measured. Contract and review processes are followed.
	MSI innovation investment	Support the growth of export companies in New Zealand by: <ul style="list-style-type: none"> ● facilitating business applications for R&D support ● assessing those applications in light of their potential impact on the economy ● providing advice on these applications to the Innovation board, and ● contracting for the specific objectives and milestones that have been identified. 	Board satisfaction is measured. Contract and review processes are followed.
	Facilitate and monitor technology and knowledge transfer	Conduct international search activities to ensure that businesses seeking solutions to technical issues can get the support they need.	End user feedback is positive.
Monitor, measure and evaluate	Monitoring investment in science and innovation	Ensure there are robust processes in place to ensure effectiveness and move resources if impact potential is low.	Contracts and agreements are on track to deliver and if not, they are reviewed as a matter of course.
	Facilitate and monitor commercialisation	Drive the development of commercialisation by providing a bridge between science and business. Connect New Zealand business to science to secure commercial gains from science.	Value of science projects that are connected to commercial partners. Number of New Zealand businesses that seek assistance.
	Evaluating adoption and impact of investments	Run a rolling independent evaluation programme to measure the direct and indirect economic, environmental and social impact and the adoption of research.	An independent evaluation programme is completed that ensures all major programmes are evaluated within a three year cycle.
	Promote the outcomes of science	Raise the profile of science and innovation in New Zealand through building confidence in the quality of investment outcomes.	Independent survey data indicates that a growing proportion of New Zealanders consider investments in science and innovation are a high priority.

Cost effectiveness

A significant body of international research has been undertaken on the cost-effectiveness of R&D investment. Determining the direct impact of public R&D investment, as a whole, on the economy, on the environment or on social outcomes is a challenge. However, achieving a better understanding of the cost effectiveness of our investments will be a vital component of MSI's success in the future.

Our model for understanding cost effectiveness is shown in figure 5 and explained as follows:

MSI inputs:

MSI resources, staff and overheads (physical assets, rents, etc).

MSI outputs:

Strategy and system design combined with investment decisions and contracts in the science and innovation systems.

Sector outputs:

Research, knowledge and technology being produced in research organisations, industries and businesses.

Sector outcomes:

Adoption – The transfer of knowledge and technology by users of science and innovation.

Impact – The use of the knowledge and technology to improving outcomes for New Zealand.

What we currently know

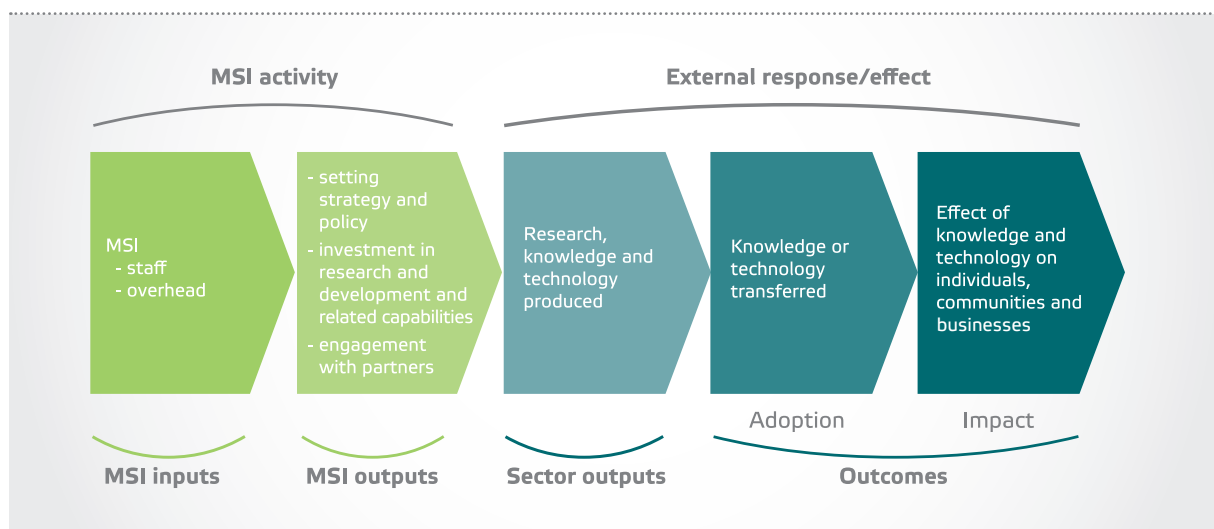
In New Zealand we are beginning to understand the impact of the value-chain and some of the differences between the different elements.

At the input end we know that MSI incurs less cost per dollar of investment at distributing basic research than managing the business products such as the Technology Transfer Voucher. This is, in part, due to the risk profile and closeness of the direct impact intended. That is, when a business receives funding from MSI we need to ensure that the business has the ability to co-fund, deliver the R&D and is close to a market product or service.

We know it is important to have clear investment strategies to guide investment and to monitor contracts effectively to get the agreed outputs. This understanding underpins our commitment to sector investment strategies and contract risk reporting.

At the adoption end we know from evaluations that involvement of potential end users at the early stages of a project increases the probability the project will yield a result that will be adopted by end users. That probability is enhanced if those end users are prepared to co-fund the research and have some investment in the outcome. This understanding underpins our support for the use of sector advisory groups (made up of end users) in all major areas of investment. It is also a reason for the growth in the research consortia model of operation which actively involves potential end users.

FIGURE 5: CONTRIBUTING TO NEW ZEALAND'S ECONOMIC, ENVIRONMENTAL AND SOCIAL OUTCOMES



At the impact end we know that there have been positive economic impacts from our investments in business support and applied research for industry, as demonstrated in our recent evaluations of Research for Industry and TechNZ. However, we do not know with confidence the extent to which those benefits are attributable to the research outputs.

Our information about these elements is informed by our evaluation programme. In the past evaluations were conducted by both predecessor agencies. Such evaluations in recent years included:

- Evaluation of RFI in 2010 that assessed the economic impact of those investments
- Evaluation of TechNZ in 2010 that assessed the economic impact of a range of TechNZ contracts
- CRI Capability Fund evaluation in 2008 which assessed the effectiveness of the fund
- Stable Funding evaluation in 2009 which assessed ways to improve the operation of the stable funding environment.

How we will improve our understanding?

MSI is committed to understanding the elements relating to cost effectiveness namely:

- Understanding our cost structures and allocation to priority areas
- The most significant costs for MSI are our overheads. Over time, we will be looking to reduce the dollar cost per full time equivalent. MSI is currently examining options to reduce this cost.
- MSI is also looking at ways to reduce the cost of some specific outputs through modification of business processes. During 2011/12 the focus will be on streamlining our contestable funding processes to reduce transaction costs and improve the timeliness of decision making and contract finalisation.

- During 2011/12 MSI will explore options to increase the level of shared services across MSI, other government departments and research providers
- MSI is also exploring options to use common information, share services and reduce firms' compliance costs across MSI and NZTE for those firms that have joint engagement plans
- MSI has developed an initial set of impact indicators. Over the next year MSI will develop a framework to understand impacts and attribution, test measures and develop the systems to support measurement.

To better understand the impact and effectiveness of our investments, MSI's investment performance framework will contain the following elements:

- **Statistics and monitoring data** Collection, analysis and communication of current, robust statistics that are used to inform policy direction and provide national level benchmarking
- **Contract reviews** Including red-flag, mid-term and terminating reviews, to identify and correct issues. This enables steering at the individual contract level.
- **Institutional reviews** Five-year rolling reviews of CRIs, to assess CRI's contribution towards outcomes described in their statement of core purpose
- **Funding investment agent reporting** Includes reporting from the HRC and the Royal Society on the impacts of their investment
- **Strategy evaluations** On a systematic basis, these will provide information to support sector-level strategies. This information will be used by MSI to revise and adjust sector strategies to be better focused on delivering adoption and impact.
- **Policy evaluations** These will analyse the appropriateness, implementation and results from MSI policy intervention and processes.

Managing in a changing operating environment

MSI faces risks that are inherent in the establishment phase of a new agency. These risks include potential loss of institutional knowledge and key capability and delays and errors caused as new people familiarise themselves with systems and policies. To offset these risks MSI has taken the following steps:

- Retained core capability through the organisational change process
- Implemented an induction programme for all new staff
- Ensured that all staff have signed up to MSI's standards of conduct and personal integrity.

MSI also faces the usual generic risks faced by any agency, such as failure in our internal management systems or in our services to stakeholders in the science and innovation system. MSI will manage these risks through our core management systems, such as internal and external audit, risk profiling, the maintenance of a risk register, risk management, effective internal and external communications, continuity planning and quality assurance processes.

To support our risk management approach MSI will establish an Audit and Risk Committee which includes external members. It will provide MSI with an oversight function that will evaluate and test the adequacy and effectiveness of our risk management processes, our internal controls and our management of organisational performance.

The external environment poses significant risks to MSI's ability to create benefit for New Zealand from science and innovation. In 2011/12 the potential level of economic activity is constrained by factors such as the impact of the Christchurch earthquake upon economic growth, the similar impact of the natural disaster in Japan—one of New Zealand's major trading partners—and a slower recovery from recession than had been forecast.

There are also high expectations of MSI as a new agency and perceptions of the progress made by MSI towards achieving its objectives may not accord with those expectations.

Most government agencies have also received little or no extra money in Budget 2011. MSI and other government agencies in the science and innovation sector will therefore need to continue to find innovative ways to improve service delivery while operating within tighter financial constraints.

The key risks identified by MSI and the steps we will take to manage those risks are outlined in Table 2.

MSI will also be reviewing its funding processes to ensure that transaction costs for businesses and research providers are kept to a minimum.

In responding to this environment MSI can also seek guidance from interactions with our stakeholders and international forums such as the OECD. The OECD's 2010 Innovation Strategy provides useful overall guidance in this regard.

TABLE 2: KEY RISKS

Strategic risk	Leading to:	Mitigation strategies
The Christchurch earthquake reduces expected growth in business expenditure on R&D.	Lower levels of benefit than anticipated are achieved from the adoption of new products or processes.	MSI provides Christchurch-based technology businesses with additional support as agreed.
High sector expectations prove difficult to meet in the establishment phase.	Sector has limited clarity about MSI's role and MSI is diverted from its core business.	MSI has clarity of purpose and sound communications and relationship strategies.
Establishment and building of MSI takes longer than expected.	MSI cannot fully meet its output deliverables during the establishment phase.	Active recruitment and populating of the new structure.

Building MSI – organisational health and capability

MSI is a new Ministry that brings together two agencies – the Ministry of Research, Science and Technology and the Foundation for Research, Science and Technology. The intention of the merger is to create an organisation that is more than the sum of its predecessors. The expectation is an organisation which will deliver new and existing functions more effectively and efficiently.

The focus of this establishment period is on building a new organisation that will deliver the gains expected from bringing together the strategy, policy and investment functions of its predecessors.

MSI has new and existing functions we have to deliver. We have been tasked with ensuring New Zealand's future development is best supported by science and innovation. We have a number of key initiatives underway designed to change the shape and performance of the innovation and science systems.

Establishment of MSI involves fundamental organisational change. To build this new organisation there is a need to review and align systems, processes, skills and capabilities, values and culture to support the outputs and outcomes. This will take time and a focused approach.

The first step has been to design an organisation structure which positions MSI to deliver. This design has focused on creating clear lines of accountability, ensuring flexibility and adaptability, and career opportunities and growth.

Through the organisation design process we have defined the skills and capabilities people will need to support the organisation. The organisation has introduced Lominger competencies in this process, which will be the basis for development.

During 2011/12 the key areas of focus will be our people; leadership; culture; relationships; processes, policies and systems; our technology and property; measuring our health and capability; sound departmental capital and asset management practices and equal employment opportunities.

Our people

There has been a robust process for the selection of staff in the new MSI structure. The key focus in 2011 will be to ensure staff are inducted into the organisation and have a shared understanding of the purpose of MSI.

An individual can see how their performance contributes, development needs are identified, and opportunities for growth are provided. To support this, a learning and development strategy will be developed, there will be a review of performance management systems and guidance, with development frameworks and learning priorities identified. There will be an organisation learning programme designed and implemented.

Key initiatives

- There will be a survey undertaken to evaluate employee engagement in 2012. This will then form a benchmark for MSI to identify any areas of future development and change. Other initiatives include:
 - HR and learning and development strategies developed in 2011
 - Continued integration of processes, systems and policies such as the HR system.

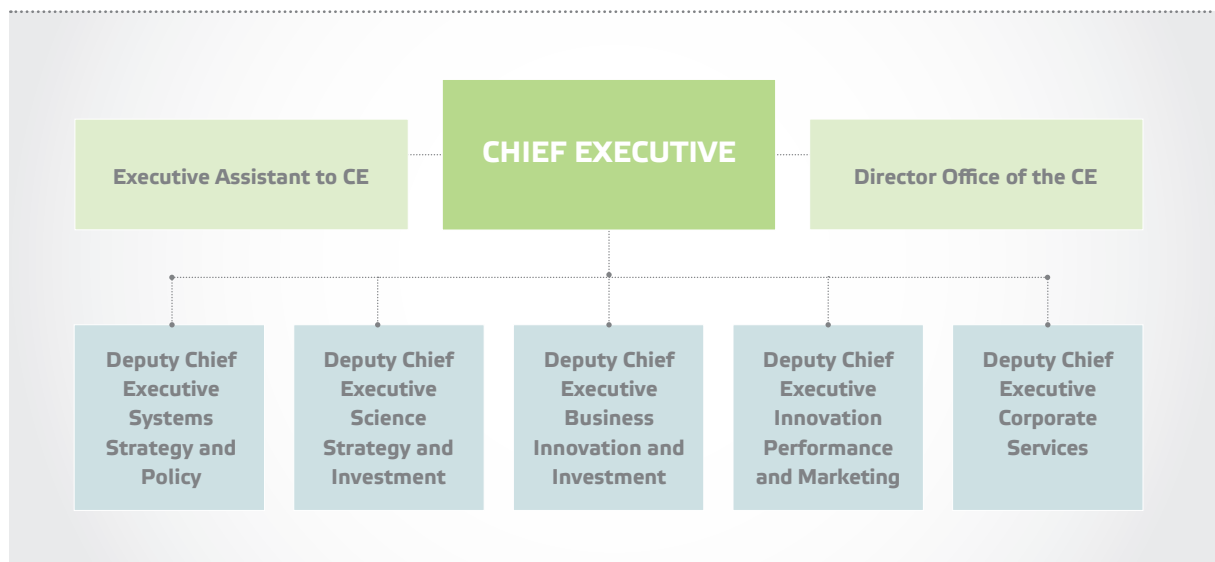
Our leadership

The structural change has created a new tier 2 as in figure 6 below. There will be a newly-formed senior management team in place in 2011/12. The initial focus will be developing this team through extensive induction and planning sessions. A key emphasis for this team in 2011/12 will be to finalise the strategic direction, the vision and to support the development of the vision.

Key initiatives

- It is planned the structure will be 90 percent populated by the start of July 2011.
- Implementing management/leadership development programmes.
- Development of a clear organisational strategy for MSI.

FIGURE 6: OUR STRUCTURE



Our culture

In 2011 there will be a focus on actively shaping a culture that supports MSI to be a high-performing agency. There will be a project defining the values for MSI and the integration of these across the organisation. These will form the baseline of our expectations of behaviour and standards and will be rolled out across the organisation.

As a new agency, an important aspect of the cultural development will be to ensure there is an understanding of the State Services Commission's *Standards of Integrity and Conduct*. MSI has also developed its own code of conduct that supplements the State Services Commission code. There will be an education programme undertaken in early 2012.

As a relatively small agency MSI's success will be measured on how it works effectively with other agencies for the benefit of New Zealanders. A key element of the new culture will be on team work, partnerships and networks to deliver results.

Key initiatives

- Values will be created in line with the new organisation's culture.

Our relationships

MSI has a number of stakeholders both across central and local government, and in the science and innovation systems, domestically and internationally. MSI will be successful through building networks and partnerships across all these groups.

MSI will need to work strategically and through others in order to influence the science and innovation systems. This will be a key focus over the next two to three years.

As a result of the work of the legacy agencies we have relationships with some key government agencies, research providers and businesses. However, these relationships will need to be further strengthened and new ones created to fulfil MSI's leadership role across the innovation and science systems.

Key initiatives

- An active relationship management strategy is developed and implemented across MSI.
- The development of new methodologies for effective partnering across the system.

Our processes, policies and systems

MSI is building a new organisation and there will continue to be integration work as it evolves. There are major initiatives being implemented that will change the shape of the science and innovation systems. These changes will have ongoing impacts on how MSI operates and delivers its services.

A dedicated project office has been established in recognition of there being a number of projects to be managed over the next one-to-two year horizon.

Key initiatives

- The development of new investment and engagement processes that will build on past experience and will reduce transaction costs for researchers and business.
- Developing risk management processes designed to raise risk awareness and to promote routine risk management.
- An Audit and Risk Committee will be established from 1 July 2011 to provide independent assurance and advice to the Chief Executive. The committee will regularly review MSI's key risks.

Our technology

There is an ongoing programme of integration bringing together two different IT groups with different technology. MSI has moved to an outsourcing support model and there is a tailored IT application that supports contract management processes. MSI is exploring the potential for this to become a shared application with other similar agencies.

Key initiatives

- The development of an integrated and new fit-for-purpose financial management system and human resources management system with a continuing improvement of our other information management systems to ensure they are fit-for-purpose for MSI and meet the needs of stakeholders such as contract holders.

Our property

MSI will continue to operate regional offices, and will be in new Wellington premises in mid-2011. In Christchurch MSI shares a site with NZTE. Since the Christchurch earthquake, teams have operated from temporary accommodation at Industrial Research Ltd.

Measuring our health and capability

Part of establishing MSI involves developing a robust set of measures to demonstrate its health and capability. These measures will track our effectiveness as a well-performing government agency. Key measures will include:

- Positive feedback from stakeholders, particularly from Ministers and central agencies
- Positive staff engagement and job satisfaction, as measured by a staff engagement survey
- Active monitoring of our sick leave and turnover levels.

Departmental capital and asset management intentions

The use of capital by MSI is to secure access to tools and applications required to deliver the outputs it is committed to, and to achieve the Government's priorities for science and innovation. A key focus in the start-up of MSI has been to consolidate the assets of the two legacy agencies to ensure minimisation of waste and effective utilisation.

MSI is not considered a capital-intensive department and accordingly it is not required to adopt the higher standards of asset management performance expected from capital-intensive agencies.

MSI is putting in place the sound management practices that reduce fiscal and service delivery risks. These include strategy plans that identify the use and management of our ICT environment and applications, and the use of its leasehold accommodation to fit the purposes of MSI, supported by capital planning and replacement, maintenance plans and procurement policies.

Equal employment opportunities

MSI places strong emphasis on fostering a diverse workplace and inclusive culture. We are committed to the principles and practice of equality. We make appointments on merit and, while recognising the employment aspirations of Māori, Pacific Island, ethnic and minority groups, women, and people with disabilities, we will ensure fairness in employment for all people and groups of people.

MSI recognises the special place of the Treaty of Waitangi in New Zealand as the founding document and is committed to working with Māori to achieve better outcomes, for both Māori and all New Zealanders. Our Vision Mātauranga work programme includes a Māori capability development aspect.

All managers and staff have a responsibility to promote a work culture in which all staff, whatever their gender, ethnic or social background, sexual orientation or role, are valued, treated equitably and with respect.

Other information

MSI legislation

The following legislation is administered by MSI:

- Research, Science and Technology Act 2010
- Crown Research Institutes Act 1992
- Building Research Levy Act 1969
- Heavy Engineering Research Levy Act 1978
- Heavy Engineering Research Levy Notice 2003
- Measurement Standards Act 1992
- National Standards Regulations 1976
- Wheat Industry Research Levies Act 1989

Additional information

MSI boards

The role and purpose of MSI boards

Under the Research, Science and Technology Act 2010, the Minister has established a Science board and an Innovation board to make funding decisions in respect of some of the non-departmental appropriations administered by MSI, and to provide strategic advice to MSI as requested. For some expenditure, the boards have delegated investment decision-making to other funding decision makers including regional business partners and MSI.

MSI interacts with the boards in several ways: we are responsible for administering the boards and providing secretariat support; providing background analysis and putting investment recommendations to them for approval; and engaging with the boards to seek advice on strategy as requested.

Science board

The Science board makes funding decisions to enable New Zealand research organisations to conduct high-quality research that delivers economic, social and environmental benefits for New Zealand.

Professor Sir David Skegg (Chair) Vice-Chancellor of the University of Otago from 2004 to 2011.

Dr William Rolleston Founding shareholder and director of Pacific Sera. Provincial President of South Canterbury Federated Farmers and other director roles. Dr Rolleston is also the chair of the MSI Innovation board.

Wendy Nelson Principal Scientist, of the National Institute of Water and Atmospheric Research.

Denise Church Professional consultant and director with a wide range of experience in public sector management and in the environmental sector.

Richard Blaikie Professor of the Department of Electrical and Computer Engineering, University of Canterbury, and Director, MacDiarmid Institute.

Warren Tate Professor of Biochemistry and Associate Dean Research (Health Science Division) of the University of Otago.

Charles Royal Professor of Indigenous Development in the Faculty of Arts at the University of Auckland, and Director of Ngā Pae o te Māramatanga.

Peter Hunter Professor of Engineering Science, Director, Bioengineering Institute, University of Auckland.

Innovation board

The Innovation board makes funding decisions to support business-led research and development and technology transfer with the aim of helping businesses to diversify and enhance their products and services, and to increase productivity.

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Dr William Rolleston (Chair) Founding shareholder and Director of South Pacific Sera. Provincial President of South Canterbury Federated Farmers and other director roles.

Stuart McKenzie General Partner of venture capital fund Endeavour Capital. Council member of the New Zealand Private Equity and Venture Capital Association and a member of the Capitalising on Research and Development Action Group (CRAG).

Phil O'Reilly Chief Executive of Business New Zealand. Council member of the Royal Society of New Zealand, and chair of CRAG.

Peter Townsend Chief Executive of Canterbury Employers' Chamber of Commerce and board member of NZTE.

Harlene Hayne Professor Deputy Vice-Chancellor (Research and Enterprise), University of Otago, and the Deputy Chair of Otago Innovation Limited.

Alastair MacCormick Professional director and management consultant. Chairman of the Technology Park Advisory Board for the Auckland University of Technology.

Sarah Kennedy Previously Chief Executive Officer of Vitaco Health.

Grant Ryan Inventor and entrepreneur. Has founded a number of companies including YikeBike Ltd, GlobalBrain.net, RealContacts, SLI Systems and Eurekster.

Ian Taylor Has established three successful technology businesses Taylormade Media (TV & multimedia), Animation Research Ltd and BookIt (online booking).
.....

Other entities

Crown research institutes (CRIs)

CRIs were established in 1992 as Government-owned businesses with a scientific purpose. Each institute is based around a productive sector of the economy or a grouping of natural resources. The eight CRIs play a distinctive and central role in New Zealand's science and innovation system.

In 2010, Government made the decision to change the means of funding CRIs to allow more certainty in Crown funding. From 1 July 2011, CRI boards will assume responsibility for a portion of core (stable) funding transferred to them by the Crown. They will be formally held accountable for delivering on their statement of core purpose.

MSI has the responsibility for ownership advice to the Minister and the monitoring of CRI performance on behalf of shareholders.

The eight CRIs are:

- AgResearch
- Institute of Environmental Science and Research Ltd (ESR)
- Institute of Geological and Nuclear Sciences Ltd (GNS Science)
- Industrial Research Ltd (IRL)
- Landcare Research
- National Institute of Water and Atmospheric Research (NIWA)
- Plant and Food Research
- Scion - New Zealand Forest Research Institute Ltd.

Health Research Council (HRC)

The HRC was created under the Health Research Council Act 1990 and is accountable to the Minister of Health. It is a Crown agent for the purposes of Section 7 of the Crown Entities Act. The HRC funds a range of research, including basic biomedical, clinical, public health and health services research. The HRC also promotes and disseminates research results, and fosters the recruitment, education and retention of health researchers.

Royal Society of New Zealand (RSNZ)

The RSNZ is established under the Royal Society of New Zealand Act 1997. The aim of the RSNZ is the advancement and promotion of science and technology in New Zealand. Its functions include fostering a culture supportive of science and technology, and providing expert advice on important public issues to the government and the community. As a non-government organisation, the RSNZ represents the individual scientists and their professional societies who make up the science community.

MSI's main responsibilities in relation to the RSNZ are to contract RSNZ, through the annual output and funding agreements, monitoring the RSNZ's performance against the measures set out in the agreements, and managing the process for the Ministerial appointment of members to the Marsden Fund Council.

Measurement Standards Laboratory of New Zealand (MSL)

MSI provides funding to IRL so that the Minister fulfils his statutory obligations under Section 4 of the Measurement Standards Act 1992. This is to provide for the use throughout New Zealand of uniform units of measurement of physical quantities, and for the establishment and maintenance of standards of measurement of physical quantities. MSI is responsible for negotiating an output agreement on behalf of the Minister, and monitoring IRL's performance against the measures set out in that agreement.

Regional business partners

Regional business partners are a nationwide network of organisations that can help businesses access information, research and development funding, training and development services. Regional business partners assess business capability and provide access to research and development funding and support.

The network was set up by MSI and NZTE to support business growth and innovation in New Zealand's regions. The network was established in 2010 and is an extension of the TechNZ Regional Partner model that has operated since 2008.

