



Minister of Research, Science and Innovation

Research, Science and Innovation portfolio

Vote Business, Science and Innovation

Report in relation to selected non-departmental appropriations for the year ended 30 June 2021

Foreword

Ministers are responsible for reporting the financial and non-financial performance of non-departmental appropriations to Parliament. This report provides information on 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 2020-30 June 2021 results of relevant non-departmental appropriations for the Research, Science and Innovation portfolio within Vote Business, Science and Innovation. The relevant appropriations are:

Non-departmental output expenses:

- Endeavour Fund
- Health Research Fund
- Marsden Fund
- National Science Challenges
- Partnered Research Fund
- Crown Research Institutes - COVID-19 Response and Recovery

Non-departmental other expenses:

- Catalyst Fund
- Regional Research Institutes

Multi-Category Expenses and Capital Expenditure

- Project Tāwhaki Expenses



Hon Dr Megan Woods

Minister of Research, Science and Innovation

Statements of Performance

Non-Departmental Output Expenses

Endeavour Fund

Scope of appropriation

This appropriation is limited to research, science or technology, and related activities that have the potential for excellence and long-term impact for New Zealand's economy, society or environment.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve investment in the highest quality, investigator-led research proposals to impact in areas of future value, growth and critical need for New Zealand.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Comment

Reporting timeframes were adjusted in response to the impacts of the COVID-19 pandemic.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	217,613	242,712	245,917	236,403

Comment

This appropriation has increased by \$3.205 million to \$245.917 million for 2020/21 as part of the Supplementary Estimates of Appropriations (Supplementary Estimates) due to \$22.795 million of funding being brought forward from 2021/22 and 2022/23 to support the science sector's response to COVID-19.

The increase is partially offset by:

- a \$9.840 million fiscally-neutral adjustment to the 'Talent and Science and Promotion' MCA and the 'Research, Science and Innovation: Contract Management' MCA, to establish a new Fellowship initiative to fund early career researchers whose progression has been adversely affected by the COVID-19 pandemic
- a \$8.100 million fiscally-neutral adjustment to the 'Health Research Fund' appropriation to accelerate the deployment of innovative products to alleviate the direct impacts of COVID-19, and
- a \$1.650 million expense transfer to outyears due to the COVID-19 lockdown interrupting time-sensitive science experiments such as summer experimental crops being unable to be harvested.

\$9.375 million of the total \$245,917 million for 2020/21 as part of the Supplementary Estimates was reprioritised to other Research, Science and Innovation priorities through the Reprioritisation Opportunities for Research, Science and Innovation initiative.

Health Research Fund

Scope of appropriation

This appropriation is limited to research and research applications with the primary purpose of improving the health and well-being of New Zealanders.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve an improvement in the health and well-being of New Zealanders through health research.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Number of contracts funded in the previous financial year by the Health Research Council that meet the Health Research Council's definition of 'transformative' research ¹	15	8-10	15
Number of new funding agreements negotiated with government or non-government agencies to specifically address a health research priority developed as a result of the New Zealand Health Research Strategy	5	1	Achieved
The percentage of funding contracts that have been administered and monitored by MBIE and performance assessed within agreed timeframes ²	-	New Measure	100%

Comment

This appropriation was agreed to be updated as part of the 2020/21 Supplementary Estimates to change the End of Year Reporting location to this Non-Departmental Appropriations Report. Due to a transcription error the change was not reflected in the final 2020/21 Supplementary Estimates or the 2021/22 Estimates documents. However, the information is reflected here for completeness.

The change in performance reporting will formally be confirmed as part of the Supplementary Estimates 2021/22.

¹ This measure was amended at Supplementary Estimates to reflect a change in end of year performance reporting location.

² This is a new measure added at Supplementary Estimates 2020/21.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	131,159	117,489	130,589	130,021

Comment

This appropriation increased by \$13.100 million to \$130.589 million for 2020/21 as part of the Supplementary Estimates due to:

- a \$8.100 million fiscally-neutral adjustment from the Endeavour Fund to accelerate the deployment of innovative products to alleviate the direct impacts of COVID-19, and
- \$5 million of funding brought forward from the Endeavour Fund to support the science sector's response to COVID-19.

Marsden Fund

Scope of appropriation

This appropriation is limited to excellent investigator-led research.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve an improvement in investigator-led research in areas of science, engineering, mathematics, social sciences and the humanities.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
The proportion of the publications attributed to the Marsden Fund that are in the top 10% of global publications, ranked by citations.	Updated measure	10%	Achieved 20.3% ³

Comment

The measure was updated as part of the Supplementary Estimates 2020/21.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	78,545	78,545	78,545	78,545

³ 20.3% of all publications attributed to the Marsden fund were in the top 10% of global publications.

National Science Challenges (Multi-Year Appropriation)

Scope of appropriation

This appropriation is limited to strategic, collaborative mission-led research programmes to find innovative solutions to fundamental issues and opportunities facing New Zealand.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve improvement in innovative solutions to fundamental issues New Zealand faces by drawing scientists together to achieve a common goal through collaboration.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Comment

This multi-year appropriation was established to enable the second round of National Science Challenges. It Expires on 30 June 2024. Reporting timeframes were adjusted in response to the impacts of the COVID-19 pandemic.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	90,290	114,744	114,744	96,769

Comment

This multi-year appropriation was established to enable the second round of National Science Challenges. It expires on 30 June 2024.

\$17.974 million of the total \$114,744 million for 2020/21 was reprioritised as part of the Supplementary Estimates to other Research, Science and Innovation priorities through the Reprioritisation Opportunities for Research, Science and Innovation initiative.

Partnered Research Fund

Scope of appropriation

This appropriation is limited to the co-funding of research commissioned by users, and the application of research by users.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve greater connections between researchers and end-users.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Comment

Reporting timeframes were adjusted in response to the impacts of the COVID-19 pandemic.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	33,901	33,390	29,023	28,265

Comment

This appropriation decreased by \$4.367 million to \$29.023 million for 2020/21 as part of the Supplementary Estimates due to:

- a \$4.266 million expense transfer to outyears due to a re-phasing of the Food Safety Science and Research Centre initiative to align with contract payments
- a \$701,000 expense transfer to 2021/22 and outyears for the Partnership Scheme as a result of the COVID-19 pandemic impacting the clinical trials, and
- a \$400,000 expense transfer to 2021/22 for several industry partnerships as a result of COVID-19 pandemic. The impacts on industry partnerships resulted in changes to the research programme and insufficient funds to meet their short-term co-funding obligations.

These decreases are partially offset by an expense transfer of \$1 million from 2019/20 due to delays to Envirolink projects as a result of the COVID-19 pandemic.

Crown Research Institutes - COVID-19 Response and Recovery

Scope of Appropriation

This appropriation is limited to supporting Crown Research Institutes to respond to the impacts of COVID-19 and to contribute to New Zealand's COVID-19 recovery efforts.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve the outcome that Crown Research Institutes can adequately respond to the financial impacts of COVID-19 and help them to maintain science capability required to participate on New Zealand's COVID-19 recovery efforts through continued research, science and innovation work.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Critical capability is maintained and key capital programmes continue	-	Achieved	Achieved

Comment

This appropriation was established as part of the Supplementary Estimates 2020/21.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	-	-	72,300	45,100

Comment

This appropriation was created and increased to \$72.300 million for 2020/21 as part of the Supplementary Estimates as a result of funding from the COVID-19 Response and Recovery Fund to provide Crown Research Institutes with funding to cover shortfalls in commercial revenue due to COVID-19 and support the COVID-19 recovery.

The impact of COVID-19 was less than anticipated, allowing for \$27 million of the total \$72.3 million to be reprioritised to other Research, Science and Innovation priorities through the Reprioritisation Opportunities for Research, Science and Innovation initiative.

Non-Departmental Other Expenses

Catalyst Fund

Scope of appropriation

This appropriation is limited to grants to support international science partnerships.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve improved international flows of people, ideas and investment through support of activities that initiate, develop and foster collaborations leveraging international science and innovation for New Zealand's benefit.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

Comment

Reporting timeframes were adjusted in response to the impacts of the COVID-19 pandemic.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	16,939	34,751	35,251	34,776

Comment

This appropriation increased by \$500,000 to \$35.251 million for 2020/21 as part of the Supplementary Estimates due to:

- an expense transfer of \$13.500 million from 2019/20 into 2020/21 to manage the increasing likelihood that contracts and/or payments would not be made before the end of the financial year for five Catalyst investment processes, due to delays by our international partners.

This increase is partially offset by an expense transfer of \$13 million to 2023/24 as a result of the impact of COVID-19 on MBIE's ability to negotiate with international partners and to redesign processes due to researchers' inability to travel.

Regional Research Institutes

Scope of appropriation

This appropriation is limited to the establishment of and contribution to the operation of Regional Research Institutes.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve research institutes that maximise the unique business, technology and economic growth opportunities in their respective regions.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Percentage of contracts that have been monitored and assessed within agreed timeframes	100%	100%	100%

Comment

Reporting timeframes were adjusted in response to the impacts of the COVID-19 pandemic.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	12,880	11,353	9,524	9,523

Comment

This appropriation has decreased by \$1.829 million to \$9.524 million for 2020/21 as part of the Supplementary Estimates due to an expense transfer to 2021/22 and outyears as a result of the COVID-19 pandemic and the need to re-phase to align with contract payments.

Multi-Category Expenses and Capital Expenditure

Project Tāwhaki Expenses (Multi-Category Appropriation)

Scope of appropriation

The single overarching purpose of this appropriation is to fund the Crown's portion of the Project Tāwhaki land acquisition and provide a grant to Kaitōrete Limited to enable the Rūnanga to cover their portion of the Project Tāwhaki land acquisition.

Project Tāwhaki - Grants (Non-Departmental Other Expenses)

This category is limited to providing grants for Kaitōrete Limited's share of the acquisition of critical parcels of land at Kaitōrete Spit.

Project Tāwhaki Land Acquisition - Capital (Non-Departmental Capital Expenditure)

This category is limited to capital expenditure to cover the Crown's share of the acquisition of critical parcels of land at Kaitōrete Spit.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve investment and funding for Project Tāwhaki: A Māori-Crown partnership to realise joint economic and environmental interests on Kaitōrete Spit.

Project Tāwhaki - Grants (Non-Departmental Other Expenses)

This category is intended to achieve the enablement of Kaitōrete Limited to participate in Project Tāwhaki.

Project Tāwhaki Land Acquisition - Capital (Non-Departmental Capital Expenditure)

This category is intended to achieve enablement of the Crown to participate in Project Tāwhaki.

Assessment of Performance

Non-financial

Performance Measures	2019/20 Actual Standard	2020/21 Budgeted Standard	2020/21 Actual Standard
Joint Venture Management Committee Established	-	Achieved	Achieved
Project Tāwhaki - Grants			
Joint Venture Agreement agreed and signed by Kaitōrete Limited	-	Achieved	Achieved
Project Tāwhaki Land Acquisition - Capital			
Joint Venture Agreement agreed and signed on behalf of Crown	-	Achieved	Achieved

Comment

This appropriation was established as part of the Supplementary Estimates 2020/21.

Financial

Expenses (\$000)	2019/20 Actual	2020/21 Estimates	2020/21 Supplementary Estimates	2020/21 Actual
Total Appropriation	-	-	16,000	16,000
<i>Project Tāwhaki – Grants</i>	-	-	2,000	2,000
<i>Project Tāwhaki Land Acquisition - Capital</i>	-	-	14,000	14,000

Comment

The increase in this appropriation for 2020/21 as part of the Supplementary Estimates is due to a fiscally-neutral transfer of \$16 million from Vote Finance to establish this appropriation and support Project Tāwhaki.