

OIA 20190799

Information for Release

1. [Briefing for Cabinet Economic Development Committee 24 07 2019 11 00 AM](#)

1

IN-CONFIDENCE

TE TAI ŌHANGA
THE TREASURY
**Treasury Report: Briefing for Cabinet Economic Development Committee
24 July 2019**

Date:	19 July 2019	Report No:	T2019/2167
		File Number:	MS-5-3-DEV

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	Read prior to Cabinet Economic Development Committee meeting	11:00 AM, Wednesday, 24 July 2019
Associate Minister of Finance (Hon Dr David Clark)	Read prior to Cabinet Economic Development Committee meeting	11:00 AM, Wednesday, 24 July 2019
Associate Minister of Finance (Hon David Parker)	Read prior to Cabinet Economic Development Committee meeting	11:00 AM, Wednesday, 24 July 2019
Associate Minister of Finance (Hon Shane Jones)	Read prior to Cabinet Economic Development Committee meeting	11:00 AM, Wednesday, 24 July 2019
Associate Minister of Finance (Hon James Shaw)	Read prior to Cabinet Economic Development Committee meeting	11:00 AM, Wednesday, 24 July 2019

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
s9(2)(g)(i)	Graduate Analyst, Economic Strategy and Productivity	s9(2)(k)	n/a (mob) ✓
Andrew Rutledge	Manager, Economic Strategy and Productivity		n/a (mob)

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Note any feedback on the quality of the report

Enclosure: No

IN-CONFIDENCE

Treasury Report: Briefing for Cabinet Economic Development
Committee 24 July 2019

Executive Summary

The Treasury is aware of 9 items on the Cabinet Economic Development Committee agenda including 2 Oral items for Wednesday 24 July 2019. The table below provides Treasury comment and recommendations on key items, and identifies any relevant fiscal impacts.

Comments	Fiscal implications	Treasury Recommendation
Deleted - Not Relevant to Request		
Research, science and innovation reprioritisation package		
Treasury contact: Lauren Holloway		
Description: <i>This paper proposes a reprioritisation package in the Research, Science and Innovation portfolio, whereby a range of new initiatives will be funded by projected and current underspends across the portfolio.</i>		
<p>This paper seeks to better allocate Research, Science and Innovation funding and is aligned with the Government's priorities.</p> <p>MBIE's latest forecast for the Research and Development Tax Incentive is higher than it was at Budget 2019 – this will be reflected at the Half Year Economic and Fiscal Update (as it is a Benefit or Related Expense). This means that, while the changes proposed in the paper are fiscally neutral, total expected spending is now \$9.000 million more than was forecast at Budget 2019.</p> <p>This paper proposes that the Growth Grants appropriation will fund the 2.5% rate change of the Tax Incentive, and that Minister Woods will make a decision at a later date on how the remaining unspent funding from FY23/24 onwards could</p>	<p>This paper proposes a series of transfers across Research, Science and Innovation, Economic Development and Transport appropriations that are fiscally neutral over the forecast period.</p>	<p>Support</p> <p>Raise the following recommendation: Agree that the remaining funding in the Research and Development Growth Grants appropriation from the FY23/24 and onwards (referenced in para 12 of Annex One) be returned and any new initiatives be considered through the Budget process.</p>

IN-CONFIDENCE

Comments	Fiscal implications	Treasury Recommendation
be reprioritised across the Research, Science and Innovation portfolio. However, we recommend that the remaining balance be returned to the centre and new initiatives come through the Budget process.		
<p>Deleted - Not Relevant to Request</p> <p>RELEASED UNDER THE OFFICIAL INFORMATION ACT</p>		

IN-CONFIDENCE

Deleted - Not Relevant to Request



RELEASED UNDER THE
OFFICIAL INFORMATION ACT

IN-CONFIDENCE

IN-CONFIDENCE

Recommended Action

We recommend that you **read** this report prior to the Cabinet Economic Development Committee meeting at 11:00 AM on Wednesday, 24 July 2019.

Andrew Rutledge
Manager, Economic Strategy and Productivity

Hon Grant Robertson
Minister of Finance

RELEASED UNDER THE
OFFICIAL INFORMATION ACT