



## COVERSHEET

<b>Minister</b>	Hon Dr Ayesha Verrall	<b>Portfolio</b>	Research, Science and Innovation
<b>Title of Cabinet paper</b>	Funding for Extreme Weather Science Response and Innovation Trailblazer Grant	<b>Date to be published</b>	8 August 2023

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
June 2023	Funding for Extreme Weather Science Response and Innovation Trailblazer Grant	Office of the Minister of Research, Science and Innovation
21 June 2023	Extreme Weather Science Response and Innovation Trailblazer Grant: Funding DEV-23-MIN-0116 Minute	Cabinet Office

### Information redacted

**YES / NO** (please select)

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**Classified – Budget Sensitive**

Office of the Minister of Research, Science and Innovation

Cabinet Economic Development Committee

**Funding for Extreme Weather Science Response and Innovation Trailblazer Grant**

**Proposal**

- 1 This paper seeks agreement to transfer funds between appropriations within Vote Business, Science and Innovation:
  - 1.1 to address the science needs of Māori communities and regional councils after the recent extreme weather events in the North Island (the extreme weather events)
  - 1.2 to correct an error in the distribution of funds relating to the Innovation Trailblazer Grant.

**Relation to government priorities**

- 2 The response to the extreme weather events is a priority for the Government, particularly in providing support to the locally led response. The transferred funds will support local Māori- and regional council-led leadership of, and access to, scientific advice.
- 3 Investing in innovation is a key contributor towards the Government’s objective to grow New Zealand’s economy. Correcting the error in the Innovation Trailblazer Grant will enable Callaghan Innovation to invest the full amount that was originally allocated to the programme.

**Background**

**Extreme Weather Science Response**

- 4 In February 2023, various parts of the North Island and particularly Northland, Auckland, Tairāwhiti / East Coast, and the Hawke’s Bay were hit by extreme weather events. These events caused catastrophic damage.
- 5 Science is a critical input to emergency response as it supports evidence-based decisions. Expert scientific advice and funding was a critical contribution to our effective COVID-19 response and the 2010-2011 Christchurch and 2016 Kaikōura earthquake responses.

*I have already reprioritised funding to support the emergency science response*

- 6 In February and March 2023, I agreed to reprioritise funding to support the Extreme Weather Science Response from appropriations for which I am responsible as Minister of Research, Science and Innovation. This included:
  - 6.1 \$9.5 million from the *Strategic Science Investment Fund (SSIF)* appropriation for urgent and high impact science services, guided by Chief Science Advisors and the Extreme Weather Science Response – Expert Advisory Panel.
  - 6.2 \$1.81 million from the *Partnered Research* appropriation to support Māori science priorities as determined by Māori communities.

- 7 The funds from the *SSIF* appropriation are now largely spent, with \$0.9 million remaining (see table attached in **Appendix One**). The Ministry of Business, Innovation and Employment (MBIE) launched a process to allocate the funding from the *Partnered Research* appropriation in May.

*There is a need for funding to continue the science response*

- 8 Communities affected by the extreme weather events are still recovering and need access to scientific advice and funding to prepare communities for future weather events.
- 9 Science response funding already allocated has addressed the key data needs originally identified and provided significant support to emergency response, for instance through identifying flood and landslide risk.
- 10 Now that we have moved through the immediate response, the Extreme Weather Science Response – Expert Advisory Panel has advised the best use of the remaining funds is to support uptake of knowledge by affected communities, particularly Māori communities and through regional councils.

*Māori communities have science needs that are not well provided for by existing mechanisms*

- 11 During the early stages of the Extreme Weather Science Response, Māori research experts linked to the response advised that Māori communities, land and assets were heavily affected by the extreme weather events. Some communities may need services and advice on issues from water quality and contamination to managed retreat and rebuilding, while others may seek to understand the impacts on the long-term wellbeing of iwi, hapū, whānau and te taiao.
- 12 Because these communities have limited access to science advice a specific parallel process to identify and address Māori science needs was required.
- 13 MBIE developed a closed negotiated process, guided by a Māori-led expert panel and supported by science advisors, to identify and prioritise Māori science needs as determined by communities, while affected regions moved through the immediate response. Key aspects of the process are working with people who can connect Māori and science communities and involving community representatives to gather information on the needs of communities. This ensures community voices are heard and will support the distribution of funding across regions and themes.
- 14 Most of the funds available for Māori science priorities (\$1.31 million) currently sit in the 2022/23 financial year (FY). After considering advice from experts connected to affected Māori communities, I expect only a small amount could be contracted in 2022/23. This is because communities need time to move beyond immediate event response and for MBIE to put in place the required funding and contracting processes.

*Regional councils also have an outstanding need for scientific advice*

- 15 MBIE has met regularly with science managers at affected regional councils who continue to report an ongoing need for scientific advice on management of hazards and the impacts of hazards (spanning social, cultural, environmental, and economic impacts).

### **Innovation Trailblazer Grant**

- 16 In April 2022 we agreed to invest \$155 million in the Innovation Development Grant (subsequently renamed the Ārohia / Innovation Trailblazer Grant) over four years

[CAB-22-MIN-0105.01 refers]. This included approximately \$5 million per annum for Callaghan Innovation’s administration costs.

- 17 Due to an administrative error by MBIE, the payment to Callaghan Innovation to cover its costs for 2022/23 has been paid out of the *Innovation Trailblazer Grant* appropriation when the payment should have been made out of the Building Business Innovation category of the *Callaghan Innovation – Operations* appropriation.
- 18 As a result of this error, there will be \$5 million less available to fund business through the Innovation Trailblazer Grant in 2023/24 and beyond. At the same time, there is a \$5 million underspend in the *Callaghan Innovation – Operations* appropriation for 2022/23 that will be returned to the centre at the end of the 2022/23 financial year, unless this error is corrected.
- 19 As the Supplementary Estimates of Appropriations for 2022/23 have now been finalised, it is no longer possible to make any changes between the accounts for 2022/23. As a result, correcting this error requires a transfer between the *Callaghan Innovation – Operations* appropriation for 2022/23 and the *Innovation Trailblazer Grant* multi-year appropriation (MYA) for 2023/24. Under the rules set down by Cabinet Office (CO) (18) 2, only Cabinet has the authority to approve this type of transfer.

## Request

### Extreme Weather Science Response

- 20 I am seeking in-principle approval to make the following transfers to support Māori and regional councils’ science needs in 2023/24:
  - 20.1 \$1.31 million in the *Partnered Research Fund* appropriation for 2022/23 to the same appropriation for 2023/24, to support Māori science priorities.
  - 20.2 Up to \$0.9 million of the unallocated \$0.9 million in the *SSIF* appropriation for 2022/23 to the *Partnered Research Fund* appropriation for 2023/24, split between Māori science priorities and a fund for regional councils to access scientific advice.
- 21 I will utilise this funding to boost the total amount available for Māori science needs and to create a new short-term fund so that regional councils can access grants to support their science needs in 2023/24. Funding will support access to science services, independent scientific expertise, and mātauranga and research needed for recovery and resilience decisions. Depending on demand, I expect to allocate \$0.4 million to Māori science priorities (bringing the total available to \$2.21 million) and \$0.5 million to regional council science priorities.
- 22 This proposed funding is complementary to other Government response and recovery funding streams, including, for example, funding for regional council recovery plans and funding for silt clean-up and analysis.
- 23 This funding is also consistent with the intent of the Government’s Te Ara Paerangi – Future Pathways reforms to the science system to make the system more responsive to user needs and to the needs of Māori. Specific Te Ara Paerangi – Future Pathways actions that will be supported by this funding include actions under the “Embedding Te Tiriti” objective to increase the proportion of research funding directly supporting Māori aspirations and to support the stronger deployment of science system resources to the regions.

- 24 Once the transfers are approved, the allocation of funds for the Extreme Weather Science Response would be implemented through MBIE’s standard science investment and contracting processes. These processes are well proven and can proceed at pace.
- 25 This expenditure will also leverage the significant natural hazards research capability in the RSI system which MBIE supports through funding significant long-term research programmes. In 2021/22, MBIE invested \$24.8 million in natural-hazards research.
- 26 This proposal involves a transfer of funds between an appropriation for one year (the *SSIF* appropriation for 2022/23) and another appropriation for a different year (the *Partnered Research Fund* multi-year appropriation for 2023/24). Under the rules set down by CO (18) 2, only Cabinet has the authority to approve this type of transfer.

#### **Innovation Trailblazer Grant**

- 27 I am also seeking in-principle approval to transfer up to \$5 million from the *Callaghan Innovation – Operations* appropriation for 2022/23 to the *Innovation Trailblazer Grant* MYA that runs from 1 July 2023 to 30 June 2028 to fund the Innovation Trailblazer Grant in 2023/24 and beyond.
- 28 This will correct the error in the distribution of funds for the Innovation Trailblazer Grant administration costs and restore the full amount that we agreed to allocate to the Ārohia / Innovation Trailblazer Grant in April 2022.

#### **Financial Implications**

- 29 The proposal relating to the Extreme Weather Science Response involves no new funding as it is a reprioritisation of existing funds into the relevant appropriation and in the right time frame. As a result, there will be no impact on the operating balance or net debt.
- 30 Similarly, the increase in the *Innovation Trailblazer Grant* MYA will be entirely offset by a decrease in *Callaghan Innovation – Operations* appropriation for 2022/23. There will be no impact on the operating balance or net debt.

#### **Other Implications**

- 31 These proposals have no legislative, regulatory impact, climate, or human rights implications. No Regulatory Impact Statement or Climate Implications of Policy Assessment is required.

#### **Population Implications**

- 32 Māori science priorities funding will support Māori communities in affected areas to access science support to inform community decisions about recovery from the extreme weather events. This will allow these Māori communities to have the power to determine their own science priorities and help to make sure the continuing response is fit-for-purpose.
- 33 Several regions were affected by the extreme weather events, particularly the Tairāwhiti and Hawkes Bay regions. Supporting the ability of regional councils to access scientific advice to inform their ongoing response would have a positive impact on the many rural communities affected by these extreme weather events.

## Consultation

- 34 The following agencies have been informed of the proposal to reprioritise the funds from the *Partnered Research Fund* and *SSIF* appropriations for 2022/23 to the *Partnered Research Fund* appropriation for 2023/24: Treasury, the Department of Prime Minister and Cabinet, the Department of Internal Affairs, the National Emergency Management Agency, Te Puni Kōkiri, the Ministry for the Environment, the Ministry for Primary Industries and the Department of Conservation. The Office of the Prime Minister’s Chief Science Advisor and the Chief Science Advisor network have been informed.
- 35 I have also circulated the draft of this Cabinet Paper for Ministerial consultation and did not receive any comments.
- 36 The Treasury has been consulted on the proposal to transfer funds from the *Callaghan Innovation – Operations* appropriation for 2022/23 to the *Innovation Trailblazer Grant* MYA for 2023/24.

## Communications

- 37 MBIE will publish funding processes and funded projects relating to the Extreme Weather Science Response on its website.
- 38 As the transfer relating to the Innovation Trailblazer Grant is simply a technical correction of the accounts, I do not intend to make any public announcements about this change.

## Proactive Release

- 39 I propose that this paper will be proactively released in whole within 30 business days of decisions being confirmed by Cabinet, subject to redaction as appropriate under the Official Information Act 1982.

## Recommendations

The Minister for Research, Science and Innovation recommends that the Committee:

### Extreme Weather Science Response

- 1 **note** that I have reprioritised \$11.31 million to support the science response to the extreme weather events which has supported work in the areas of damage and risk assessments, ecology, public health and wellbeing;
- 2 **note** that the required expense transfers have been delayed until now because of the operational uncertainty in allocating and contracting for funding through the Extreme Weather Science Response for events occurring from late January 2023 on, and the shift in purpose from addressing immediate science needs to supporting Māori communities’ and regional government science needs for recovery;
- 3 **approve** in principle to transfer up to \$0.9 million from Strategic Science Investment Fund – Programmes in 2022/23 to the Partnered Research Fund in 2023/24, to address science needs of Māori communities and regional councils after the recent extreme weather events, with no impact on the operating balance and/or net debt across the forecast period:

	\$m – increase/(decrease)				
<b>Vote Business, Science and Innovation Minister of Research, Science and Innovation</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27 &amp; Outyears</b>
Non-Departmental Output Expense: Research, Science and Innovation: Strategic Science Investment Fund MCA Strategic Science Investment Fund - Programmes (funded by revenue Crown)	(0.900)	-			
Non-Departmental Output Expense Research, Science and Innovation: Partnered Research Fund (funded by revenue Crown)	-	0.900	-	-	-

- 4 **agree** in principle to transfer up to \$1.31 million in the Non-Departmental Output Expense: Research, Science and Innovation: Partnered Research Fund appropriation from 2022/23 to 2023/24, due to delays in allocating funds for Māori science priorities to address the science needs of Māori communities after the recent extreme weather events:

	\$m – increase/(decrease)				
<b>Vote Business, Science and Innovation Minister of Research, Science and Innovation</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27 &amp; Outyears</b>
Non-Departmental Output Expense Research, Science and Innovation: Partnered Research Fund (funded by revenue Crown)	(1.31)	1.31	-	-	-

- 5 **authorise** the Minister of Finance and the Minister of Research, Science and Innovation jointly to agree the final amounts to be transferred, following completion of the 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period;
- 6 **agree** that the proposed changes to appropriations for 2023/24, covered by the recommendations above, be included in the 2023/24 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

**Innovation Trailblazer Grant**

- 7 **note** that, to cover the administration costs of the Innovation Trailblazer Grant programme, the Ministry of Business, Innovation and Employment paid \$5 million to Callaghan Innovation from the *Innovation Trailblazer Grant* appropriation for 2022/23 when that payment should have made out of the Building Business Innovation category of the *Callaghan Innovation – Operations* appropriation for 2022/23;
- 8 **note** that as a result of this error there will be \$5 million less available to fund the Innovation Trailblazer Grant in 2023/24 and beyond;
- 9 **agree** in principle to transfer up to \$5 million from the *Callaghan Innovation – Operations* appropriation in 2022/23 to the *Innovation Trailblazer Grant* multi-year appropriation in 2023/24, subject to confirmation of the amount by Joint Ministers in the October Baseline Update following the completion of the Ministry of Business, Innovation and Employment’s 2022/23 audited financial statements, with no impact on the operating balance and/or net debt across the forecast period:

Vote Business, Science and Innovation Minister of Research, Science and Innovation	\$m – increase/(decrease)						
	2022/23	2023/24 to 2027/28					2028/29 & outyears
Multi-Category Expenses and Capital Expenditure: Callaghan Innovation - Operations MCA Building Business Innovation (funded by revenue Crown)	(5.000)	-	-	-			-
Non-Departmental Output Expense: Innovation Trailblazer Grant (funded by revenue Crown)		5.000					

- 10 **agree** that the proposed changes to appropriations for 2023/24, covered by the recommendations above, be included in the 2023/24 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply.

Authorised for lodgement

Hon Dr Ayesha Verrall  
Minister of Research, Science and Innovation

**Appendix One: Summary of Projects funded through the Extreme Weather Science Response SSIF funding**

<b>Project title</b>	<b>Contract lead</b>	<b>Funding</b>
Contracted funding		
Flood extent analysis/modelling, LiDAR, Hazard impact and risk assessment, air quality	NIWA	\$830,000
Landslides/slope stability, groundwater contamination, hazard impact and risk assessment, groundwater, data clearing house, coordination	GNS Science	\$1,695,000
Flood extent analysis/modelling, LiDAR, Hazard impact and risk assessment	Manaaki Whenua Landcare	\$200,000
Extreme Weather Platform Coordination Hub: Support to create linkages between funded projects, use of the data in future research and by government, and connection to end-users.	Resilience to Nature's Challenges	\$250,000
Supporting critical infrastructure recovery following the North Island Extreme Weather events	University of Auckland	\$250,000
Mapping cyclone-driven erosion of North Island's east coast beaches	Resilience to Nature's Challenges	\$85,000
Enhanced natural hazard risk assessment for Cyclone Gabrielle recovery (Riskscape)	NIWA	\$500,000
Rapid flood hazard assessment and modelling for Cyclone Gabrielle recovery	NIWA	\$550,000
Understanding how extreme weather events impact rangatahi and whānau wellbeing – a survey of the Growing Up in New Zealand cohort	Auckland UniServices Ltd	\$450,000
LiDAR and Aerial imagery	NIWA	\$2,290,000
In process of contracting		Funding

**CLASSIFIED – BUDGET SENSITIVE**

Integrated ecological impact assessment to inform cyclone response and recovery	Manaaki Whenua Landcare	\$1,000,000
Marine Ecology: Collection of data on impacts on marine ecosystem, to complement and connect with work on impacts on terrestrial and freshwater ecosystems.	NIWA	\$500,000
<b>TOTAL</b>		<b>\$8,600,000</b>