



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI

# ANNUAL REPORT 2022/23

## GROWING AOTEAROA

## NEW ZEALAND FOR ALL

G . 4 6



Te Kāwanatanga o Aotearoa  
New Zealand Government



## **MBIE Karakia**

Tāwhia tō mana kia mau, kia māia.

Ka huri taku aro ki te pae kahurangi,  
kei reira te oranga mōku.

Mā mahi tahi, ka ora, ka puāwai.

Ā mātau mahi katoa, ka pono, ka tika.

Tihei Mauri Ora!

Retain and hold fast to your mana, be bold, be brave.

We turn our attention to the future,  
that's where the opportunities lie.

By working together we will flourish and achieve greatness.

Taking responsibility to commit to doing things right.

Tihei Mauri Ora!

## **MBIE ANNUAL REPORT 2022/23**

Presented to the House of Representatives pursuant to section 44(1) of the Public Finance Act 1989.

**Print: ISSN 2357-1810    Online: ISSN 2357-1829    [www.mbie.govt.nz](http://www.mbie.govt.nz)**

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# Contents

He Kupu Takamua Nā Te Tumu Whakarae  
Chief Executive’s Foreword..... Page 2

Te Arotake I Te Tau Nei  
Our Year in Review ..... Page 15

Ngā Putanga  
Our Outcomes ..... Page 29

He Kōrero mō Mātou  
About Us ..... Page 51

Our Performance ..... Page 67

Our Financial Statements ..... Page 139

Appendices..... Page 221

# Chief Executive's Foreword

Tēna koutou katoa.

Hīkina Whakatutuki, the Ministry of Business, Innovation and Employment (MBIE), continues to focus on its purpose to Grow Aotearoa New Zealand for All.

Our work to build an inclusive, sustainable and prosperous country for present and future generations is guided by three pillars: Puāwai, to grow opportunities; Kaihāpai, to be a guardian and protect; and Auaha, to innovate and navigate.

This year, from the opening of the borders through to the response and ongoing recovery efforts following Cyclone Gabrielle and Cyclone Hale, our 6,500 people have once again shown their commitment to deliver for New Zealanders.

Having to respond to unexpected domestic and international challenges underscored the need for us to continue our strong focus on delivering our core services. These range from ensuring labour standards to supporting the science systems, setting building standards, enabling better procurement, and working to support climate change targets, resilience and more.

We have continued to support the Immigration Rebalance, following the opening of the borders on 31 July 2022. We leveraged the skills and expertise across MBIE to make improvements to our operational processes, so businesses could access the migrant workers they needed. In the year since, we approved more than 1.065 million people to visit, work or study in New Zealand. We continue to see strong demand from migrants wanting to come to here.

MBIE supports 18 regulatory systems and, this year, launched the Regulatory Systems Stewardship Strategy 2023–2028. This is our organisational commitment to improving how we steward our regulatory systems over the next five years. Our ambition is to create and maintain regulatory systems that prevent harm and enable Aotearoa New Zealand's people, businesses and future generations to thrive.

Further to the establishment of the Digital, Data and Insights group last year, we have sought to consolidate our corporate functions to help set up our organisation for the future. In brief, these are: bringing together related functions and teams; simplifying and removing duplication; better using the skills, experience and capabilities of our people across MBIE; career development opportunities for our people; taking greater advantage of data and insight, and automating processes to enable our people to focus more time on delivering for the people we serve.

In recognising the importance of effective and enduring relationships between Māori and the Crown, we are now in year two of Whāinga Amorangi, our internal strategy to build our Te Ao Māori cultural capabilities.

Through funds managed by the Kānoa – Regional Economic Development and Investment Unit, we explore and invest in opportunities to revitalise regional economies and communities, including providing specific funding to unlock the potential of whenua Māori.

In May 2023, MBIE was named New Zealand's third most desirable workplace in the Randstad annual award. This is testament to the positive reputation we have as an organisation and reflects the continued recognition of the importance of the work we do to Grow Aotearoa New Zealand for All. Building trust and confidence in the public sector is a major driver for our agency, and we want MBIE to be a place where people want to contribute to the work we do for New Zealanders.

# He Kupu Takamua Nā Te Tumu Whakarae

Tēna koutou katoa.

E ārahina tonutia ana a Hīkina Whakatutuki (MBIE) e tō mātou whāinga matua kia Whakapakaritia a Aotearoa mō te Katoa.

Kei ngā pou e toru kitea ai ā mātou mahi ki te whakapakari i tētahi whenua kia okioki, kia pūmau ai, kia whai oranga ai mō ngā whakatipuranga ki tua: ko te Puāwai, hei whakawhānui i ngā āheinga; ko te Kaihāpai, kia noho hei kaitiaki, ā, ko te Auaha, kia tai auaha te kōkiri.

I tēnei tau, mai anō i te huakitanga o ngā roherohenga whenua, ki ngā mahi whakaora whai muri mai i te Huripari Gabrielle me te Huripari Hale, ko tōna 6,500 o ā mātou kaimahi i whakatauirā mai i te ngākau aroha ki te whakatutuki i ngā kaupapa e tika ana mō Aotearoa whānui.

Ko ngā uruparenga mō ngā wero nui i pā mai i konei, ā, puta noa i te ao, nō reira mai te hiahia kia aro pū mātou ki ā mātou ratonga matua. Ko ngā paerewa kaimahi tērā, ko te tautoko i ngā pūnaha pūtaiao tērā, ko ngā paerewa hanga whare tērā, ko ngā take whiwhinga tērā, ko ngā whāinga take āhuarangi hoki tērā, ā, me ētahi atu kaupapa.

I haere tonu ā mātou mahi tautoko i te Hekenga Whārite whai muri mai i te huakitanga o ngā roherohenga whenua i te 31 July 2022. Nā ngā rau pūkenga puta noa i a MBIE i taea ai te whakapai ake i ā mātou tukanga whakahaere kia wātea ai ngā kaimahi manene ki ngā pakihī. Tae rawa mai ki tēnei tau, neke atu i te 1.065 miriona tāngata i whakaaetia kia toro mai, kia whai mahi, kia whai tohu rānei ki Aotearoa. Kei te kite tonu mātou i te kaha hiahia a ngāi manene kia haere mai ki konei.

E 18 ngā pūnaha ture ārahi e tautokotia ana e MBIE, ā, nō te tau nei rewa ai te Rautaki Tiaki Rure Ārahi 2023-2028 a MBIE. Koinei te whakatītinatanga o tō mātou wāhi mahi ki āna mahi ki te whakapai ake i ngā whakaritenga tautiaki i ngā pūnaha ture ārahi mō ngā tau e rima e tū mai nei. Ko te tūmanako, kia hangaia, kia tōnui hoki ētahi pūnaha ture ārahi e kaupare ana i ngā raru ka pā mai, ā, kia whai oranga ai te iwi, ngā pakihī me ngā whakatipuranga kei te haere mai.

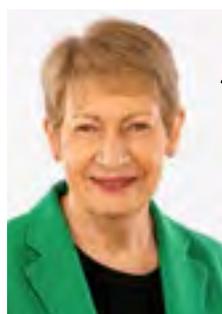
Tuia atu ki te whakapūmautanga o te rōpū Matihiko, Rauraunga, Tirohanga hoki o te tau kua hipa, i whai mātou ki te tāmau i ā mātou kawenga rangatōpū kia māmā ake te whakarite mai i te wāhi mahi ki tua. Ko te kōrero poto: he whakakotahi i ngā kawenga hāngai me ngā rōpū; he whakamāmā, he whakakore hoki i te tāruatangā; kia pai ake te whakamahi i ngā pūkenga, wheako, mōhiotanga hoki a ngā kaimahi puta noa i a MBIE; he whakawhanake i ngā āheinga ahumahi mō ā mātou kaimahi; kia pai ake te whakamahi i ngā raraunga me ngā tirohanga, ā, kia aunoa hoki ngā tukanga kia taea ai ā mātou kaimahi ki te aro ki ngā mahi whai orange ki te iwi.

E mārama ai te hirahira o ngā tūhononga mauroa i waenganui i a ngāi Māori me te Karauna, ko te tau tuarua tēnei o te kaupapa o Whāinga Amorangi, tā mātou rautaki ki te whakapakari i ō mātou mōhiotanga ki te ao Māori.

Mā roto i ngā pūtea e whakahaeretia ana e Kānoa, ka whāia ngā āheinga haumi hei whakaora i ngā ōhanga ā-rohe me ā rātou hāpori, tae noa ki ngā pūtea ka aro pū ki te oranga o ngā whenua Māori.

Ko taua kōrero anō rā, tēnei au te tuku mihi nei ki te nui o ngā mahi i oti i ā mātou kaimahi puta noa i a MBIE. E whakahī katoa atu ana i ngā mahi kua tutuki i tēnei tau kua hipa. Ko ā rātou mahi hei kaiwhakarato ratonga, hei kaihangā kaupapa here, hei kaituku pūtea, hei kaituruki hoki e tau pai ai ngā hua hora nui ki a Aotearoa whānui. Nōhea e tawhiti, e kukume mai nei i te nui o te pai o ngā pānga ki a ngāi Aotearoa huri noa.

Noho ora mai rā.



**Carolyn Tremain**

Te Hēkeretari, Te Tumu Whakarae  
mō Hīkina Whakatutuki

Secretary for Business, Innovation  
and Employment and Chief Executive

# Who We Are

## Our Story

We are the Ministry of Business, Innovation and Employment (MBIE), Hīkina Whakatutuki. Hīkina means to uplift and Whakatutuki means to move forward, to make successful. To Grow Aotearoa New Zealand for All, we put people at the heart of our mahi.

Our work touches on the daily lives of New Zealanders. We grow opportunities (Puāwai), guard and protect (Kaihāpai) and innovate and navigate towards a better future (Auaha). We are service providers, policy makers, investors and regulators.

Based on the principles of te Tiriti o Waitangi/the Treaty of Waitangi, we are committed to upholding authentic partnerships with Māori. We engage with diverse communities, businesses and regions. As agile public service leaders, we use our breadth and experience to navigate the ever changing world.

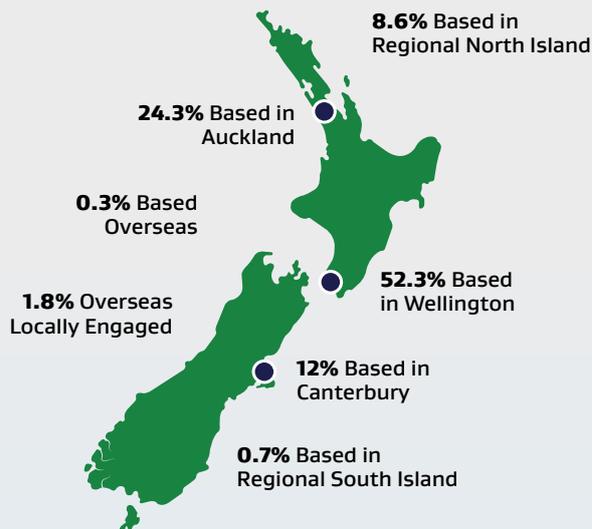
## Our Funding

We receive \$1.3 billion to deliver services and functions on behalf of the Government.

We administer \$5.6 billion in non-departmental activities on behalf of the Crown.

## Our People

We have over 6,500 people in 40+ offices across Aotearoa New Zealand and abroad. About 65% of our people work in operations and service delivery, providing core services to New Zealanders.



**Grow Aotearoa**

## Our Whakapapa

MBIE was formed in 2012 by uniting four agencies: the Department of Building and Housing, the Department of Labour, the Ministry of Economic Development, and the Ministry of Science and Innovation. A number of core functions and responsibilities have their origins in government agencies established in the 19th century.

Over the years, we have taken on new functions and roles, such as Kānoa – Regional Economic Development and Investment Unit and multiple economic development funds, as well as Managed Isolation and Quarantine in support of the COVID-19 response. As a ministry, we continue to adapt and change to the needs of Aotearoa New Zealand.

## Our Values and Strategy

Our way of working and our behaviour is guided by our values and strategy, Te Ara Amioragi.



## How People Engage With Us

New Zealanders engage with MBIE in a number of ways to get the services they need. Some of the services we provide include:

**Consumer Protection**

**EMPLOYMENT NEW ZEALAND**

**TRADING STANDARDS**

**NEW ZEALAND IMMIGRATION**

**Tenancy Services**

**TEMPORARY ACCOMMODATION SERVICE**



# How We Serve Aotearoa New Zealand

## **Good jobs and safe workplaces**

- › Employment rights, bargaining and dispute resolution.
- › Training and skills development.
- › Workplace practices, safety standards and injury compensation.
- › Migrant protection.

## **Supporting businesses to succeed**

- › Foundational services, like registering businesses, intellectual property, and information.
- › Business development tools, support and funding.
- › Building digital capability, connections and partnerships.
- › Matching skills and protecting migrant workers.

## **Investing in our region and communities**

- › Regional development projects, partnering and funding.
- › Industry transformation initiatives.
- › Māori economic development.
- › Infrastructure and tourism investment.

## **Safe and warm homes**

- › Housing standards, registration of tradespeople, insurance dispute resolution.
- › Rental agreements, bond payments, tenancy dispute resolution.
- › Natural disaster support through temporary accommodation.
- › Construction sector practices and supply chains.

## **Fair markets for consumers**

- › Consumer awareness, safety campaigns and product recalls.
- › Monitoring markets and commercial systems.
- › Providing growth and protection through e-commerce.
- › Confronting poor practices.



Our work touches on the daily lives of New Zealanders. We grow opportunities (Puāwai), act as a guardian and protect (Kaihāpai), and innovate and navigate towards a better future (Auaha).

### **Connecting to the world**

- › Connecting people, enabling visitors and tourism.
- › Attracting international talent and investment.
- › Protecting our border.
- › Supporting the international community, including refugees.

### **Research, science and technology**

- › Investing in research, science and innovation.
- › Supporting mātauranga Māori.
- › Space research and utilisation.
- › Working with Crown research institutes.

### **Lifting digital capability**

- › Improving mobile and ultra-fast broadband connectivity.
- › Enabling New Zealanders to participate in the digital age.
- › Managing cyber threats.
- › Spectrum management rights.

### **Sustainable energy and environment**

- › Alternative energy options and development.
- › Natural resource use and sustainability.
- › Climate change research and mitigation.
- › Helping businesses understand their carbon footprint.

### **Government and wider systems**

- › Advising Government and ministers.
- › Providing policy options, developing legislation.
- › Monitoring 12 Crown entities.
- › Managing regulatory systems.

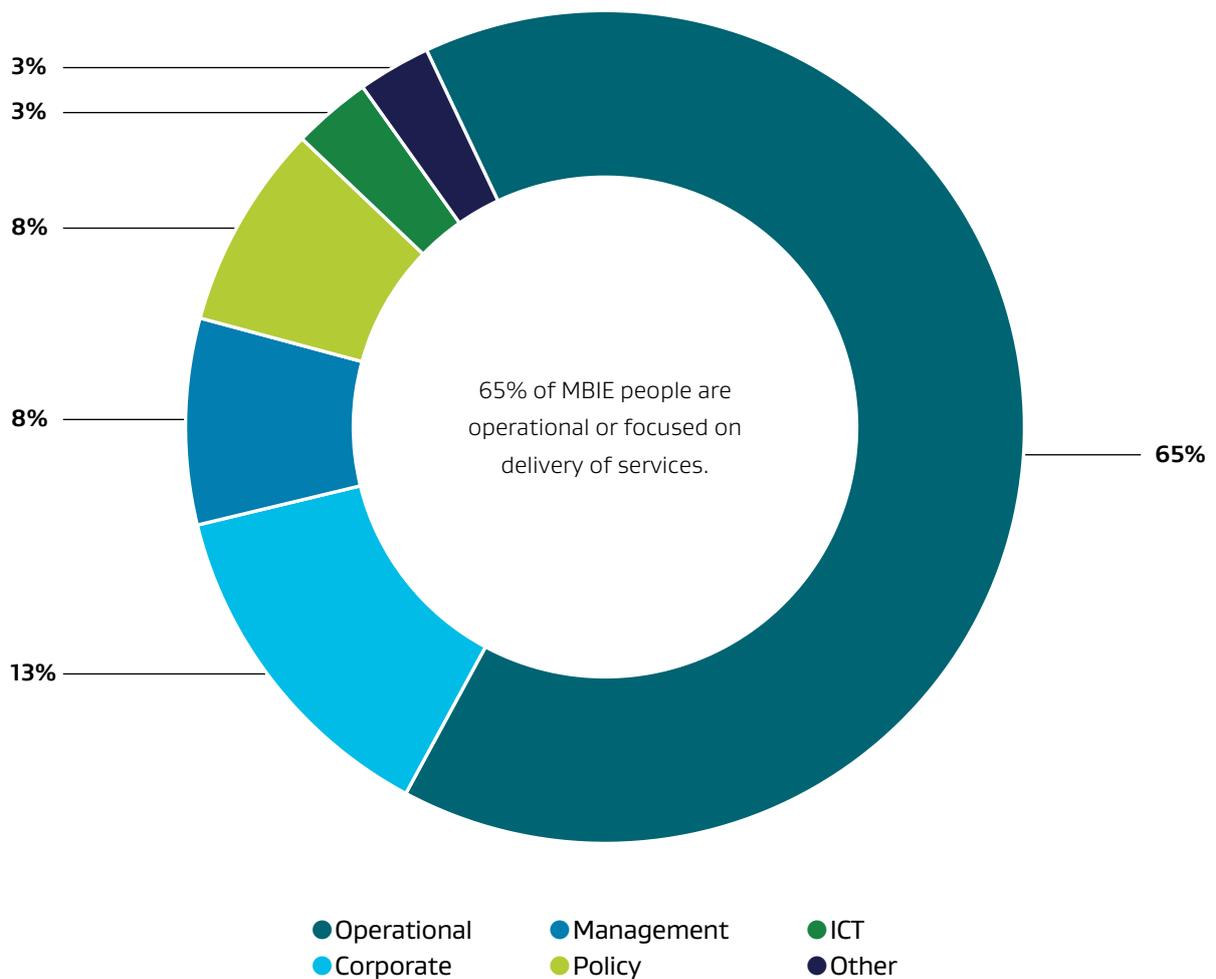


# Delivering Services to People and Business

People across MBIE deliver and support a number of services that touch on the daily lives of New Zealanders.

From supporting safe and warm homes through tenancy services, connecting New Zealand to the world through our immigration system, and helping businesses to succeed, our diverse and widespread services help Grow Aotearoa New Zealand for All.

## Our People by Function



## Service Centre

### Services we provide:

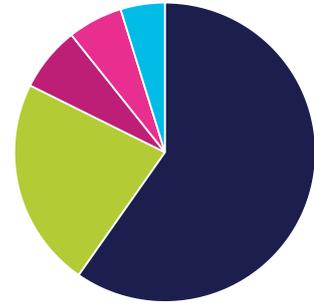
In addition to information online and via email, many people call us seeking information, including:

- › How to grow and digitise their business
- › Immigration processes
- › Lodging complaints because their rights as tenants, consumers, workers, etc, have not been upheld

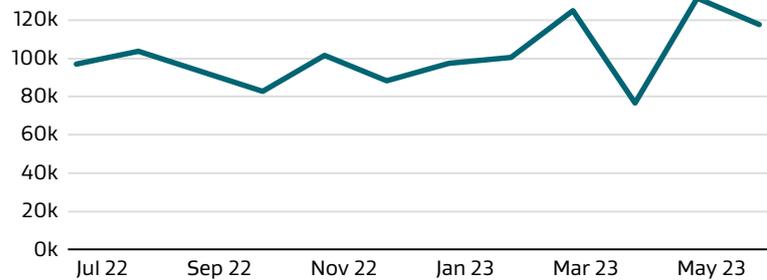
We have people based across the country managing over 50 different help lines. This year, we processed over 1,180,000 million averaging over 98,000 calls per month

### Calls to Service Centre lines

- 60% Immigration
- 23% Building & Tenancy
- 7% Market Integrity Standards
- 6% Market Integrity Reg
- 5% Employment Services



### Volume of calls through service centres



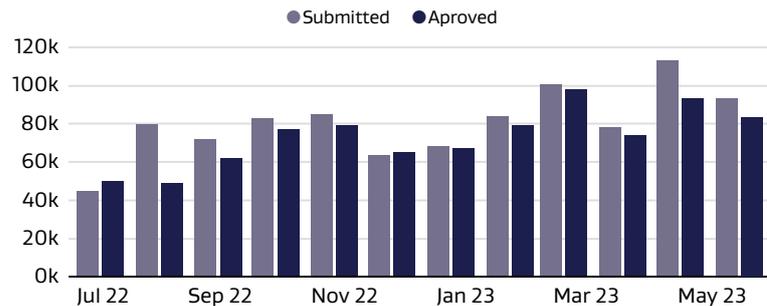
## Immigration

### Services we provide:

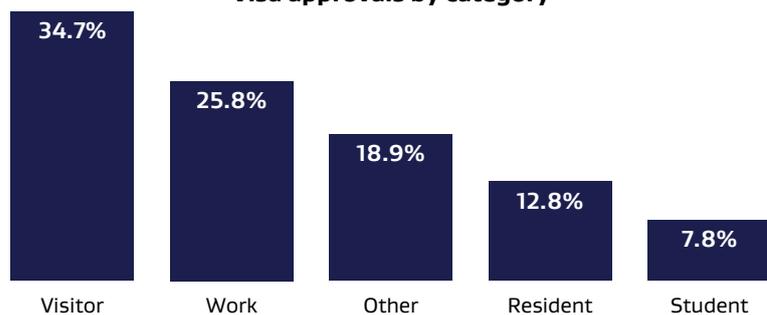
- › Connecting people and enabling visitors to enter New Zealand
- › Attracting international talent and investment
- › Protecting our border

We approved 875,000 visa applications and allowed 1,065,000 people entry to the country, connecting New Zealand to the world.

### Visa applications submitted and approved



### Visa approvals by category



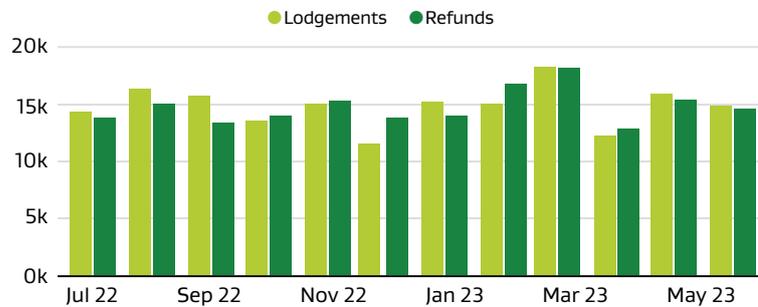
## Building & Tenancy

### Services we provide:

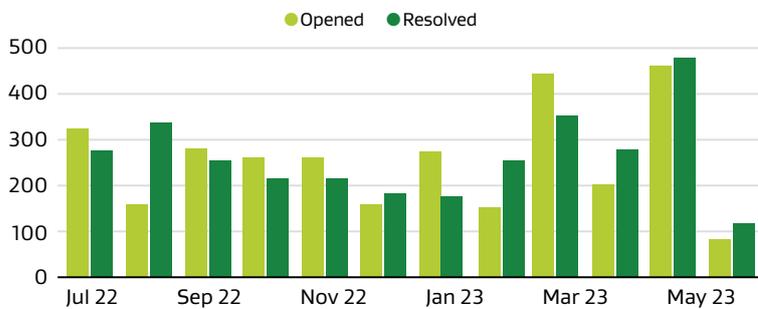
- › Bond receipt and refunds
- › Tenancy and weathertight mediation
- › Investigating breaches of Residential Tenancies Act and Building Act
- › Building Code determinations

We lodged and held bonds for 178,000+ NZ households and investigated and resolved 3,000+ tenancy cases, ensuring safe and warm houses.

### Bond refunds & lodgements



### Tenancy compliance & investigation cases



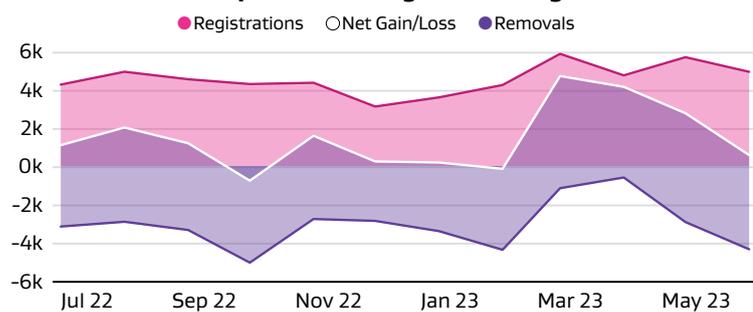
## Market Integrity

### Services we provide:

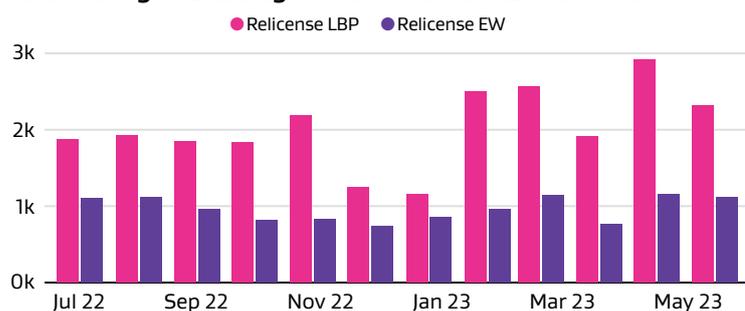
- › Business registration
- › Licensing practitioners, including Building, Electrical, Immigration, Auctioneers, Motor Vehicle Traders
- › Radio spectrum, telecommunications infrastructure
- › Trading standards

We registered 55,000 companies and relicensed 24,000 Building Practitioners and over 11,000 Electrical Workers this year to support a dynamic business environment and enable a fair market for consumers.

### Companies forming and ceasing



### Relicensing of Building Practitioners and Electrical Workers



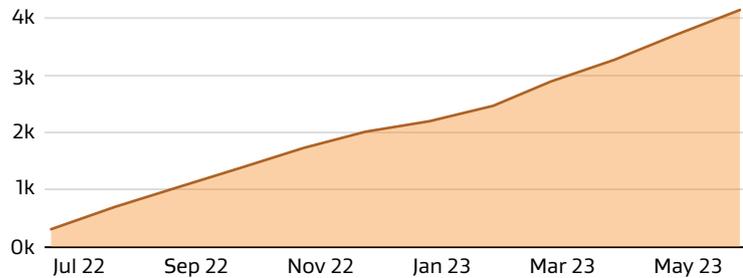
## Employment

### Services we provide:

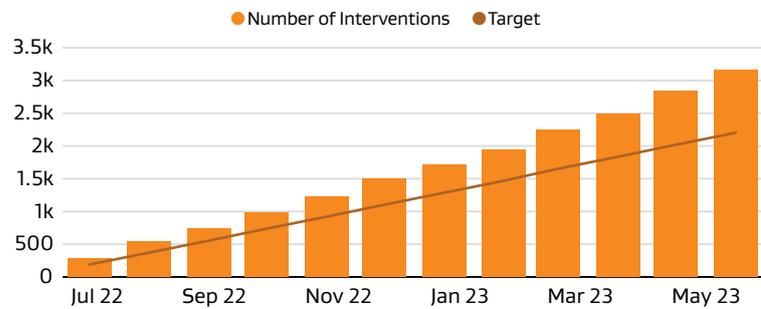
- › Employment rights and standards
- › Annual leave, maternity leave rights
- › Employment relations and dispute resolution
- › Prevent migrant exploitation

We led 4,100+ employment mediations and 3,100+ labour complaint interventions, ensuring good jobs and safe workplaces.

### Mediation events delivered



### Labour inspectorate interventions completed



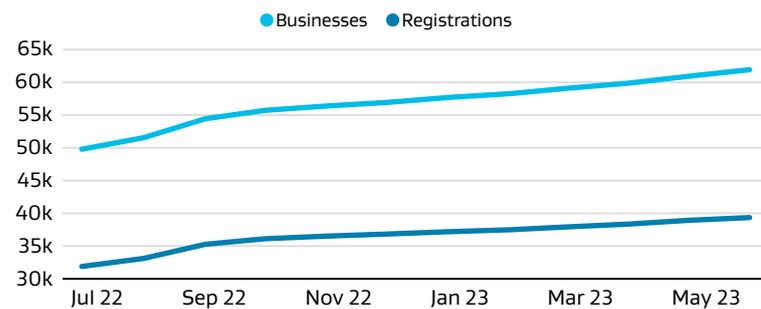
## Business & Consumer

### Services we provide:

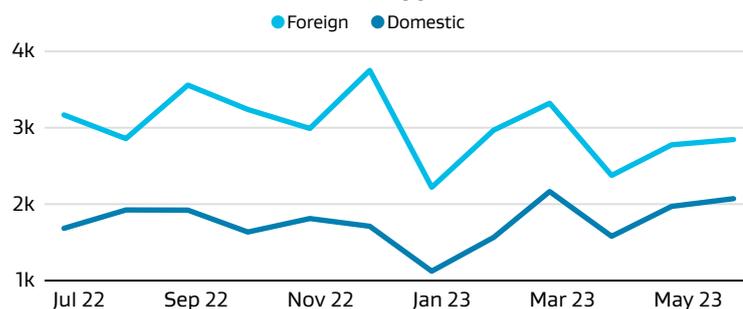
- › Information and tools to business and consumers
- › Digital products and learning
- › Small business support
- › Protecting intellectual property

We supported 60,000+ businesses through the Digital Boost programme, and lifting their digital capability and supporting businesses to succeed. We registered over 330,000+ trade marks to protect intellectual property.

### Digital Boost registrations (cumulative)



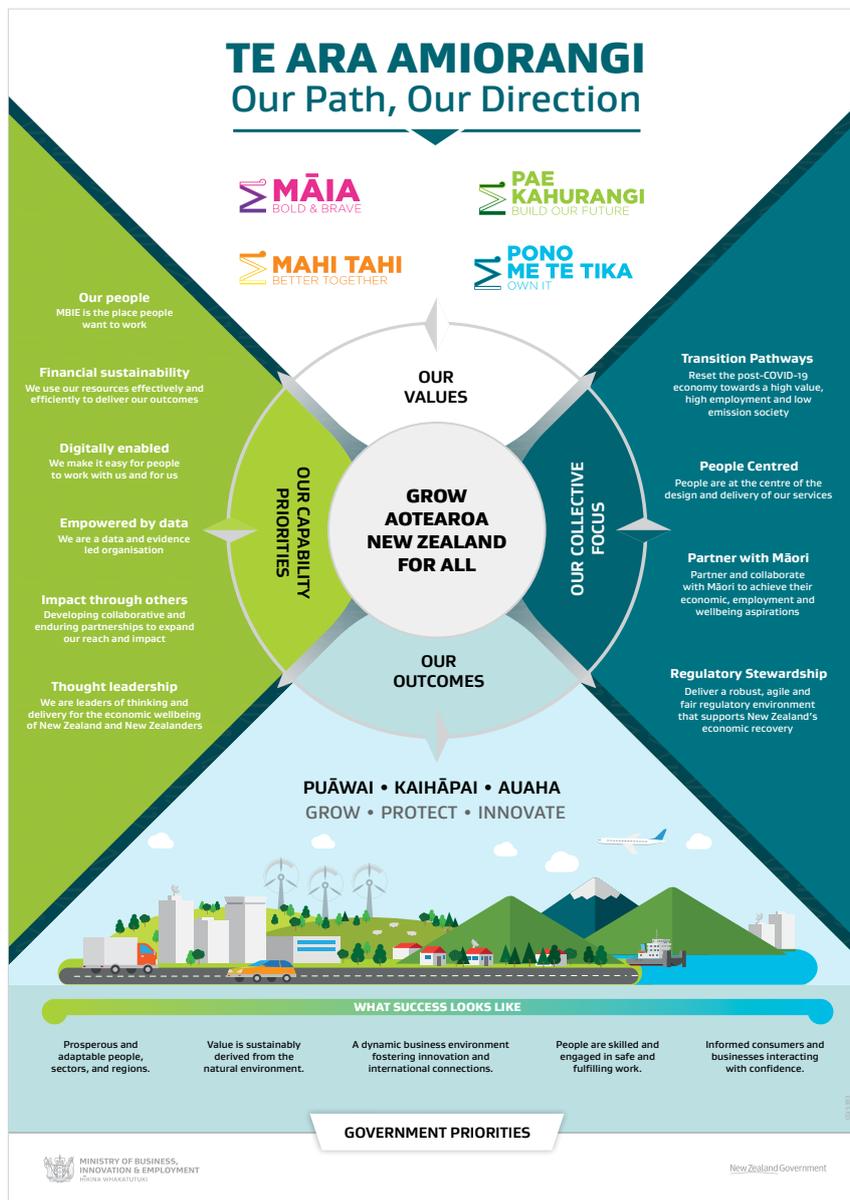
### New trademark applications



# Our Path, Our Direction

Our organisational strategy, Te Ara Amiorangi, informs the way we work. Te Ara refers to a pathway and Amiorangi to successfully navigating for the future to Grow Aotearoa New Zealand for All.

Our collective focus areas highlight our collective priorities. They guide our thinking, efforts and intentions on what matters, and encourage a more purposeful and collective approach. Our capability priorities identify the environments, skills and resources we need to improve or develop, to build and strengthen MBIE, so we can carry out our focus areas and deliver our intended outcomes. Our outcomes detail our contribution to making Aotearoa New Zealand a better place.

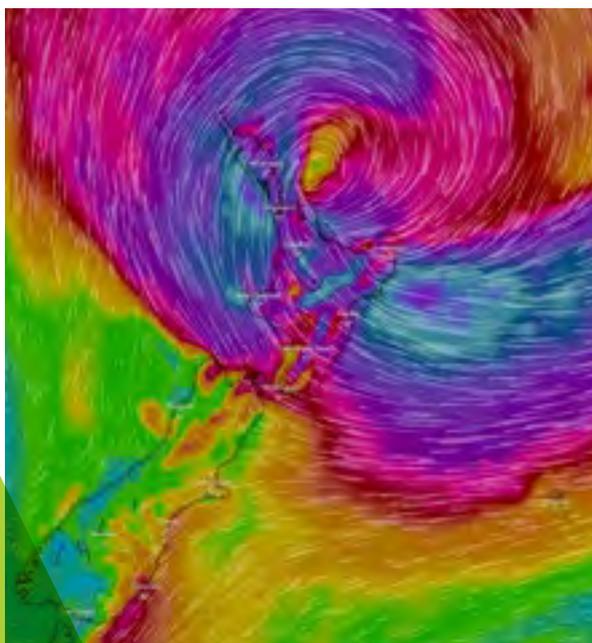


# Budget Significant Initiatives

Each year, MBIE is provided with funding from the Government to deliver significant initiatives in response to current or ongoing challenges facing Aotearoa New Zealand.

The initiatives identified below are important to Parliament, the public, and MBIE's strategic priorities and cover the span of its responsibilities. You can find more information on the following initiatives as well as other significant projects and services throughout this report.

- › Managed Isolation and Quarantine (MIQ) was an essential part of the border measures to protect Aotearoa New Zealand from the COVID-19 pandemic. All MIQ facilities are now closed, and responsibility was transferred back to the health system this year. We received \$1.6 billion in funding to run the operations of MIQ between 2020/21 and 2022/23. For more information, see page 22.
- › Cyclone Gabrielle business support was a critical aspect of our response to the extreme weather events that occurred at the start of 2023. We received \$75 million for 2022/23 and \$10 million for 2023/24. For information on how we supported business, see pages 25-27.
- › Temporary Accommodation Service (TAS) was activated to provide safe and secure temporary accommodation for households displaced from recent extreme weather events. We received \$146.830 million for 2022/23 and \$102 million for 2023/24 for the Auckland flooding and Cyclone Gabrielle. For more information, see pages 25-26 and 32.
- › Resettlement of Afghan nationals was in response to the humanitarian crisis in Afghanistan, following the Taliban's takeover of power in 2021. To support the evacuation and resettlement of Afghan nationals, we received \$10 million in 2021. For more information, see page 21.
- › Major events, like the Rugby World Cup 2021 (played in 2022), SailGP, Crankworx Rotorua and FIFA Women's World Cup Australia & New Zealand 2023™ put Aotearoa New Zealand on the map, help create international connections and grow the economy. We received an additional \$17.65 million over five years for the Major Events Fund in Budget 2023, to support major events and secure event related benefits. For more information on major events and the FIFA Women's World Cup Australia & New Zealand 2023™, see pages 32-33.





# TE AROTAKE I TE TAU NEI OUR YEAR IN REVIEW

The 2022/23 year was a big year for Aotearoa New Zealand and MBIE.

We began the year by looking beyond the impact of the COVID-19 pandemic and focusing on strengthening the economy and reconnecting to the world. Then, in early 2023, we and many other government agencies swung into action in response to the disastrous flooding and cyclone that affected so many people and businesses in the upper North Island.

These events highlight the way in which MBIE continues to deliver core services and systems that underpin the country's economic performance and wellbeing. This is especially so as we seek to grow opportunities (puāwai), act as a guardian and protect (kaihāpai) and innovate and navigate towards a better future (auaha). This also demonstrates how MBIE can shift its resources and energy quickly to the issues and places where help is most needed.

This report outlines significant activities and achievements across 2022/23. It reflects the efforts of our many kaimahi/employees, who are proud of the services and results they deliver for the people of Aotearoa New Zealand.

# What We Achieved: Highlights in 2022/23

## Puāwai: To grow opportunities, we:



Managed over 2,700 regional investment projects valued at more than \$4 billion



Supported the preparation and hosting of major events, like the FIFA Women's World Cup Australia & New Zealand 2023



Registered 35,700+ New Zealand Business Numbers (NZBN), 2,600+ identifying as Māori businesses



Distributed \$65 million in grants to help businesses clean up and get reestablished following Cyclone Gabrielle



Revamped our immigration settings to reconnect internationally, address skill shortages and speed up economic development



Completed the Marae Renovation Programme and supported the restoration and refurbishment of 349 marae

## Kaihāpai: To be a guardian and to protect, we:



Delivered over 15,000 interventions through MBIE's Employment Dispute Resolution Services



Published 97 voluntary consumer product recalls and identified 13 high-risk consumer products



Processed 178,000+ bond lodgements through Tenancy Services, totalling over \$334 million



Supported the passing of the Worker Protection (Migrant and Other Employees) Bill



Updated National Seismic Hazard Model (NSHM) which helps manage risks to safety, security and the economy from seismic events



Received 7,700+ reports of cyber incidents

## Auaha: To innovate and navigate, we:



Delivered the 400th mobile tower as part of the rollout of 5G services



Launched the Aotearoa New Zealand Aerospace strategy



Supported the development of industry transformation plans to innovate and support communities



Provided nearly 81,000 rural homes and businesses with improved broadband through the Rural Broadband Initiative



Approved 71 projects and allocated over \$236.5 million allocated through the Endeavour Fund, Aotearoa New Zealand's largest contestable research fund



Made \$1.7 million available to encourage New Zealanders to live sustainably through the Support for Energy Education in Communities Programme

# Puāwai, Growing Opportunities

MBIE's work supports people, sectors and regions to be prosperous and adaptable, and to continue to grow and thrive. We want to make it easy to develop businesses and to support economic development that builds resilience, generates jobs and empowers communities.

This year, MBIE has focused on reconnecting Aotearoa New Zealand to the world and on initiatives to support a thriving economy. This included a strong focus on immigration, projects to drive economic development and increase community well-being.



## Reconnecting Aotearoa New Zealand and Re-balancing the Immigration System

At the end of July 2022, the borders fully reopened. Revamped immigration settings have been a major focus of efforts to reconnect internationally, address the immediate skill shortages and speed up economic recovery from the COVID-19 pandemic. Settings have included:

- › An employer led process to access migrant workers where genuine skills or labour shortages exist.
- › A one-off residence pathway targeted at people already working here in non-seasonal roles.
- › A new streamlined process to achieve residency for globally hard-to-fill roles, including in the health sector.
- › Increases to seasonal worker numbers.
- › Encouraging the return of working holiday makers.

These changes are helping to retain and attract significant talent and skills that are important now and for future wellbeing (see Outcome 2, for more detailed information).

## Growing Regions and Communities

Helping regions to grow and improving the wellbeing of New Zealanders living in communities across the country, is a core part of what we do.

### Investing in our regions

We deliver government funding to nurture each region's economy so it can grow and develop, and reach its full potential. As at the end of June, MBIE's regional investment arm, Kānoa – Regional Economic Development and Investment Unit (Kānoa), managed seven funds and over 2,700 projects for a combined total of over \$4.38 billion.

The sectors supported through these investments span, among others, advanced manufacturing, aquaculture, energy, construction, film, information communication technology (ICT), infrastructure, tourism and training. Flexibility across our investments and an on-the-ground presence means we are able to respond to regionally specific needs and context.

## Māori Economic Development and Communities

MBIE has a significant focus on Māori economic development and engagement with communities. The Māori economy has seen substantial growth over the past decade. Māori businesses often draw on inter-generational knowledge, such as sustainable resource management, and embed a focus on to strengthen and build resilience in the economy.

MBIE aims to ensure collaborative strategies are in place. An important focus was the refresh of *He Kai Kei Aku Ringa*, the Māori economic development strategy.

The whakatauki “he kai kei aku ringa” literally means “food by my own hands”. Under the refresh, the scope has been broadened to include the environment, prosperity and wellbeing. He Ara Waiora provides a tikanga based wellbeing framework for five new objectives in the strategy, in particular, Te Taiao (the natural world) and Te Ira Tangata (the human domain).

Under this framework, the objectives for *He Kai Kei Aku Ringa* address climate change mitigation and adaptation, identity in the economy, prosperity, self-determination, and building foundations for the future.

*He Kai Kei Aku Ringa* will be delivered through an action plan that draws together new and emerging projects from across government agencies, with the Māori Economic Development Advisory Board continuing to act as kaitiaki.

This year, we also completed the Marae Renovation Programme. In partnership with Te Puni Kōkiri, we supported the restoration and refurbishment of 349 marae across the motu. Around 2,400 employment opportunities (non-permanent jobs) were created. Of these workers, over 900 were Māori and over 200 were not in employment, education or training (NEET). Marae have an important role in Māori communities and are increasingly becoming involved in community responses to natural disasters.





## Supporting Business

In recognising the critical importance of ongoing commercial activity to the country's national wellbeing, MBIE has advanced efforts to make sure businesses have access to tools and support, especially as they navigate challenging times and shifting practices.

### Information and tools

In the past year, we have continued to improve our small business content, tools and resources, including areas such as mental health and wellbeing, climate action and exporting.

For example, the [business.govt](https://business.govt.nz) website now includes 45 interactive tools, 47 visual guides and templates as well as several other resources for firms, from setting up a business to developing important documents, to advice on what to do in the event of a computer hack. One of the more popular tools is the Employment Agreement Builder, which creates contracts tailored to businesses and the people they employ.

In early 2023, we provided resources and information to the Government's Flood and Cyclone Support initiatives for New Zealand businesses.

### Business payment practices

MBIE works to enhance the environment in which businesses operate, such as improving access to information they need to make important decisions. The Business Payment Practices Act 2023 introduces measures that require large firms to publish information about how fast they pay their suppliers. This will help small businesses choose who to do business with and encourage larger firms to improve their payment practices to manage any reputational risk. Small businesses account for more than 97% of all businesses in Aotearoa New Zealand. Poor payment practices can have flow-on effects for the wider economy, particularly in times of economic uncertainty.

# Kaihāpai, Acting as a Guardian and Protecting

Much of what we do every day is about protecting the people and environment of Aotearoa New Zealand. From significant policy changes to updating regulation work, to enabling those seeking refuge to enter Aotearoa New Zealand, the work we do is about making sure New Zealanders feel safe.



## Fair and Safe Systems

Making sure we have fair and safe systems is critical to the country's economic and people's personal wellbeing. This year, we supported the passing of significant legislation and focused on enhancing our stewardship role across a range of Aotearoa New Zealand's regulatory systems.

### Accident Compensation Maternal Birth Injuries

On 30 September 2022, the Accident Compensation (Maternal Birth Injury and Other Matters) Amendment Act came into force. The Act improves gender balance, fairness and equity in the Accident Compensation Scheme.

The amendments ensure coverage from injuries that result from the birthing process, from onset of labour through to the pēpi/baby being delivered. Extending cover for these injuries means birthing parents can access existing support and treatment available through the scheme, including support for mental

injuries caused by maternal birth injuries. This is the first expansion to Accident Compensation Corporation (ACC) cover in over a decade, in a highly technical subject area, involving working closely with clinical, legal and operational experts.

### Performance of the building system

Well-functioning housing and construction markets support growth in productivity and employment and affect macroeconomic stability, health, security and social cohesion. This year, we led and supported several significant initiatives to support a continuously evolving building and construction sector in Aotearoa New Zealand that keeps people safe.

A significant focus was the Construction Contracts (Retention Money) Amendment Act (which will come into force in October 2023). The changes provide important protections for subcontractors so they can be certain their payment is kept safe, cannot be used for any other purpose, and will be paid out should the head contractor's business fail. It also helps to make sure building work is done right the first time and acts as an insurance that the subcontractor will return to repair any defects.

### Migrant worker protection

Protection of migrant workers is grounded in ideas of human rights, it aims to create a level playing field, and is part of Aotearoa New Zealand's international reputation.

On 29 June 2023, the Worker Protection (Migrant and Other Employees) Bill was passed by Parliament. The new Act will take effect in January 2024 and amends



the Employment Relations Act 2000, Immigration Act 2009 and Companies Act 1993. Changes include processes to disqualify people convicted of migrant exploitation and people trafficking from managing or directing a company, and establishing new immigration infringement offences targeting non-compliant employer behaviour.

### Stewardship of our regulatory systems

MBIE is a steward of 18 different regulatory systems, including building, communications, energy, financial markets, health and safety, minerals, space and tenancy. Regulatory stewardship is about proactively looking after the regulatory systems we manage so they are the best they can possibly be.

This year, we launched our five-year strategy to remove barriers and uplift capability. Our goal is to extend and deepen regulatory stewardship capability so we can better support the safety, growth and sustainability of our communities, people and businesses.

### Supporting our International Communities

The work MBIE does spans beyond Aotearoa New Zealand's borders. It includes responding in times of crisis and emergency and supporting those seeking refugee status.

### Afghanistan response

The political, humanitarian and security situation in Afghanistan became extremely volatile in August 2021. A comprehensive cross-agency operation was launched to support New Zealanders, their families, and eligible Afghan nationals to return to and, where appropriate, resettle in Aotearoa New Zealand.

As at 30 September 2022, the Afghanistan Resettlement Response had wound down, with all 1,741 individuals who arrived in Aotearoa New Zealand, and who needed housing, having moved into permanent accommodation. A special residence category was created to allow arrivals from Afghanistan to gain permanent residence with residence offered to over 1,450 Afghan citizens.

### Ukrainian response

We have supported the Government to expand the 2022 Special Ukraine Visa, to further help those affected by the war. The 2022 Special Ukraine Visa Policy enables Ukrainian New Zealanders to support family members in Ukraine to come and shelter here for two years. As at 30 June 2023, 1,499 visas have been approved and 684 applicants arrived in Aotearoa New Zealand.

### **Supporting refugees entering Aotearoa New Zealand**

In 2020, Aotearoa New Zealand increased its annual refugee quota from 1,000 to 1,500. However, travel restrictions and border closures due to the COVID-19 pandemic significantly affected the Refugee Quota Programme. As the effects of COVID-19 on travel have lessened, these cycles have resumed, resulting in the Refugee Quota Programme meeting the 1,500 target. Changes were also made this year to reconnect families, with all 600 places (up from 300) filled this year.

### **Managed Isolation and Quarantine Transitioning Back into the Health System**

Managed Isolation and Quarantine (MIQ) was operational under MBIE from 14 July 2020 to 30 June 2022. This year saw the winding down of MIQ and transferring this responsibility back into the health system.

MIQ was an unprecedented undertaking for Aotearoa New Zealand, borne out of necessity to protect people from a largely unknown, rapidly evolving virus, COVID-19. The protection that MIQ gave the country meant robust public health measures could be developed and helped Aotearoa New Zealand

become one of the most vaccinated countries in the world before COVID-19 got a proper foothold within communities.

At its height, MIQ operated 32 facilities in five regions. It had a workforce of more than 4,500 staff at any one time and accommodated 12,600 people in 9,000 rooms every 28 days. The MIQ workforce supported almost 230,000 travellers to return home. It also cared for over 5,000 community cases.

The winding down of MIQ was a significant step and, as MIQ's footprint reduced, an extensive workforce change process was launched to fulfil good faith and legislated employment obligations. All MIQ facilities have now been decommissioned and handed back to the hotel owners. As part of the decommissioning process, MIQ made sure the facilities were safe and operationally fit for purpose, to allow them to return to operating as standard hotels.

Since the network was decommissioned, work has continued to maintain readiness, to transfer knowledge and systems back to the health sector, and to develop New Zealand's future quarantine and isolation capability to ensure the nation is ready for any future pandemics.



# Auaha, Innovating and Navigating Towards a Better Future

The global environment is dynamic and uncertain. We aim to anticipate and prepare for what the future holds, to make sure the country is resilient and able to operate sustainably.

MBIE has a broad set of responsibilities. We navigate an expansive environment and assess the implications of change on the country. We want to develop a dynamic business environment, fostering innovation and international connections that support the wellbeing of New Zealanders.

## Transforming Sectors and Industries

MBIE supports the development of significant industry strategies and transformation plans to make sure sectors can continue to innovate and support the communities around them.

Several Industry Transformation Plans (ITPs) are being created or updated, to increase productivity and performance in important sectors of the economy. They reflect significant investments of time and effort by MBIE and key stakeholders, including sector participants, business, unions and Māori. This year we worked on several plans, as follows:

- › The Construction Sector Transformation Plan 2022-2025: this three-year action plan builds on the Construction Sector Accord and is focused on tackling the sector's systemic challenges whilst building resilience across the industry. One of the plan's key goals is to create a more skilled and diverse workforce that is future ready.
- › Advanced Manufacturing ITP: launched in March 2023, the priorities and actions in this plan aim to achieve a thriving sector of world-class creators, innovators and makers delivering quality products, sustainable solutions and inter-generational wellbeing. Early areas of support under the plan include up-skilling workers, as well as company

specific advice on adopting advanced technologies and creating circular low-emissions manufacturing options.

- › Digital Technologies ITP: launched in May 2023, this ITP is a long-term vehicle for partnership between industry and government in the digital technologies sector. It aims to grow exports, build its national reputation around technology and innovation, invest in digital skills and talent for the sector and related industries, and support Māori participation and leadership in the sector.
- › Tourism ITP: aims to transform tourism into a more regenerative model. The first phase, the Better Work Action Plan, was launched in March 2023. It aims to create a strong, resilient and more sustainable tourism and hospitality workforce. The plan's tirohanga hou (new outlooks or ways of doing things) are underpinned by specific initiatives, such as fit-for-purpose education and training, improving cultural competency and lifting technology uptake. The second phase of the plan, which is undergoing consultation, focuses on the environment, ensuring the tourism industry plays a crucial role in protecting and restoring the country's unique biodiversity and environment while adapting to the impacts of climate change.
- › Agritech ITP: this plan is jointly led with the Ministry for Primary Industries. We have been seeking feedback on a refreshed plan aiming to accelerate growth of the agritech sector to \$8 billion by 2030.

## Charting New Paths

An important role for MBIE is to prepare Aotearoa New Zealand for the future and support the development of future focused industries.



### Te Ara Paerangi – Future Pathways

Te Ara Paerangi – Future Pathways is a multiyear programme focused on the future of the national research, science and innovation (RSI) system. MBIE engaged the RSI sector in a wide ranging and deliberative conversation and, in December 2022, released the *Te Ara Paerangi – Future Pathways White Paper*. The reforms it signals aim to grow individual and collective wellbeing, environmental sustainability and economic productivity. This means building a future RSI system that is adaptable by design, connected for impact and reflects Aotearoa New Zealand’s unique context and diverse population.

### National Space Policy and Aotearoa New Zealand Aerospace Strategy

During 2022, MBIE consulted on the National Space Policy and the Aotearoa New Zealand Aerospace Strategy. The National Space Policy was released in May 2023, following public consultation. It sets out New Zealand’s values regarding space and outlines objectives, including promoting the responsible uses of space internationally and modelling sustainable space and earth environments.

The Aerospace Strategy was launched in July 2023, and brings together efforts in space and advanced aviation, with a focus on economic development and innovation related actions. It will provide strong foundations for fast paced change in the aerospace sector, carving out the country’s niche on the global stage and strengthening connections to the global aerospace economy.

## Innovating with Communities

Communities in Aotearoa New Zealand have the best understanding and knowledge of solutions that will help them respond to the issues most affecting them. The most effective solutions to the biggest challenges will result from working with the communities we serve and enabling them to innovate.

### K’aute Pasifika Village

The new K’aute Pasifika Village opened in January 2023, enabling Waikato Pasifika community members to deliver their vision for integrated services in their own way. The project has created 290 jobs and has been supported by Kānoa through a \$6.6 million grant and \$2 million loan. The village is also supported by Hamilton City Council, other government agencies and trusts, including through funding.

The village will provide Pasifika focused holistic, wraparound services including an early learning centre and an iconic fale (meeting house) for community and cultural events. It will also provide services across education, employment and housing and will include integrated general practitioner and other clinical services. The Waikato region has a growing Pasifika population (almost 25,000), and the driver for the project is to improve health and wellbeing outcomes for Pasifika and broader communities through Pasifika models of care.

# Responding to Weather Related Emergencies

In late January 2023, regions across the upper North Island, including Auckland, experienced widespread flooding. Shortly after, Cyclone Gabrielle, a severe tropical cyclone, devastated parts of the North Island.

These events highlighted the risk of natural disaster and the evolving impact of climate change that Aotearoa New Zealand faces. The events also highlighted the range of functions and tools MBIE is able to activate and coordinate to help communities and regions in times of need.

## **Our Immediate Response to Flooding Events and Cyclone Gabrielle**

An immediate focus was on restoring critical infrastructure, with many communities lacking basic services. We set up an emergency mechanism to coordinate with fuel companies and Civil Defence Emergency Management authorities to make sure emergency services could access fuel to help affected regions and reinstate fuel supply as soon as possible.

We also supported wider efforts to restore electricity and telecommunications.

A significant focus was on finding accommodation for people whose homes were affected. MBIE activated the Temporary Accommodation Service (TAS), supporting people across seven regions in the North Island. TAS supported affected households to find temporary accommodation while their homes were being repaired, rebuilt or if they were unable to return to their homes. It worked closely with other agencies, as well as iwi and hapū, to make sure affected households got the support they needed.

By the end of June, we had engaged with over 2,800 households, with over 560 households moved on from temporary accommodation and 482 households still in temporary accommodation. With many homes



in these regions uninhabitable, TAS is considering medium to long-term accommodation options to support these households. This was the second largest accommodation response in our history, with a significant number of people across MBIE pulled in to provide support.

New Zealanders were not the only ones affected by these extreme weather events. We supported the accommodation of around 690 Recognised Seasonal Employer (RSE) workers affected by Cyclone Gabrielle. Most of these workers were in Hawke's Bay. We coordinated with industry, Pacific liaison officers and local community groups to make sure RSE workers were safe and well.

We also set up the Visitor Sector Emergency Advisory Group to support those visiting from overseas. Members used their networks to make sure visitors

and international audiences received timely and accurate information. This helped protect the country's reputation as an international visitor destination.

## **Rebuild and Recovery**

After the initial response, the focus quickly shifted to what needed to be done to help communities rebuild and recover. This included supporting businesses to get reestablished, creating new work visa categories to help with the recovery, and making sure the construction sector was prepared, so it could manage the immense rebuild needed.

We helped the Government in providing much needed relief to businesses in the areas affected by Cyclone Gabrielle. By the end of June, \$65 million in grants was distributed to help these businesses clean up and get re established. Those who are living within



communities know best what needs to be done in times of emergencies, and agreements with local delivery partners were established to help deliver these grants.

A focus of the recovery was also on business resilience and wellbeing. Through the First Steps initiative, over 500 individuals have been connected with therapists or counsellors, some with a strong Māori and Pasifika focus.

A priority for the response and recovery was the ability to start rebuilding. To support construction, MBIE convened sector coordination meetings, established a triage process for queries from the sector, and provided guidance and resources to help the sector navigate through issues.

Given the scale of the disasters, it was important to put buildings through a rapid assessment process. This identified existing or potential hazards, details of damage, and assigned appropriate placards to buildings to indicate whether they were safe to use. Data on damaged buildings was coordinated by MBIE and shared with other government agencies.

The new Recovery Visa was established to provide additional specialist workers, to support the cyclone and flood recovery. These included insurance assessors, infrastructure and utilities engineers and technicians, heavy machinery operators, debris removal workers and construction workers. This visa attracted a great deal of interest. By the end of June, over 2,400 applications had been decided. We put significant effort into ensuring that genuine applicants were assessed swiftly, while identifying and declining applications that did not meet the intent of the visa.

Setting up the New Zealand Claims Resolution Service (NZCRS) was prioritised and fast tracked, in early 2023, to respond to weather events across the North Island. It is a national service providing homeowners with independent support to resolve residential insurance issues resulting from natural disasters. Staff were on the ground supporting those affected by the Auckland flooding and Cyclone Gabrielle, including in community hubs throughout greater Auckland, Tairāwhiti and Hawke's Bay. At the same time, the NZCRS continued to provide support to homeowners with claims resulting from the Canterbury earthquakes, flooding in Nelson, Tasman, Marlborough and Westport. NZCRS now has open cases in 13 of the 16 regions across the country, spanning 8 different events.

Recognising that climate change will create more extreme weather events, MBIE is also investing in science and systems that will help it respond and be more resilient to these types of emergencies. In February 2023, MBIE reallocated \$10.8 million of its science and research funding for urgent scientific research and data collection. The aim is to capture knowledge and learn from this experience if we are to build resilience for future emergencies and extreme weather events. Because many affected regions also have resources that are economically or culturally significant to Māori, funding has been allocated to enable Māori communities to access science services that support decision making.



# NGĀ PUTANGA OUR OUTCOMES

The five outcomes in our Strategic Intentions 2021–2025 set out our contribution to making Aotearoa New Zealand a better place.

Our outcomes are longer-term goals that we collectively work towards. These are:

Outcome One: Prosperous and adaptable people, sectors and regions.

Outcome Two: Skilled people engaged in safe and fulfilling work.

Outcome Three: Informed consumers and businesses interacting with confidence.

Outcome Four: Value is sustainably derived from the natural environment.

Outcome Five: A dynamic business environment fostering innovation and international connection.

This section describes work MBIE carried out in 2022/23 to contribute towards the achievement of these five outcomes. Our outcomes are supported with a series of measures and indicators which can be found in our performance section of the report, starting on page 66.

# Outcome 1: Prosperous and Adaptable People, Sectors, and Regions

We deliver a diverse mix of initiatives to help people, sectors and regions thrive and adapt to changing national and global environments.

Overview				
Expenditure	Core responsibilities	In-Year Initiatives	Our Outcomes*	Performance Measures
<b>Departmental</b> \$93 million  <b>Non-Departmental</b> \$767 million  <b>Streams</b> > Economic and regional development > Tourism > Temporary accommodation > Managed Isolation & Quarantine  <b>Agencies</b> > Tourism NZ	> Regional and economic investment projects  > Industry transformation plans  > Tourism facilities and infrastructure  > Responding in times of emergency or disaster  > Isolation and quarantine services	> Regional investment > Māori Economic Development > Business development coaching > Major events support > Industry transformation plans > Accommodating people affected by flooding and cyclone	+ Household income  + Labour productivity  + Income inequality	<b>Achieved</b> <b>55/58</b>  Milestones     33/33 Quality            2/2 Satisfaction     9/10 Timeliness        9/9 Volume             2/4
*Key: + Positive shift    – Negative shift    = Unchanged				

A strong and diverse economy, with skilled and adaptable people, is essential to Aotearoa New Zealand’s economic prosperity and wellbeing. In addition to supporting existing activity, we recognise the future will bring shifts in the mix of sectors, jobs and global demand.

MBIE helps regions, businesses and communities grow and diversify their opportunities. We provide a range of core services that underpin economic activity. We work to ensure Aotearoa New Zealand is more resilient to shocks and better placed to adapt to new technologies.

## Investing in Regions

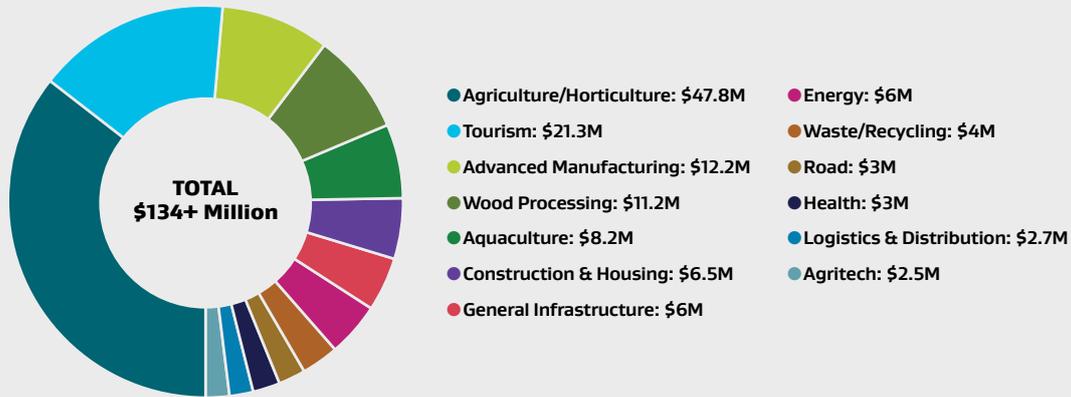
One way we improve the country’s prosperity and community wellbeing is by investing in regional opportunities. Kānoa managed seven funds and over

2,700 projects, for a combined total of total of over \$4.38 billion.

The sectors supported through these investments span, among others, advanced manufacturing, aquaculture, energy, construction, film, ICT, infrastructure, tourism and training. The aims of the funds include: accelerating regional development, lifting productivity and resilience, boosting employment and skills, and helping regions transition to more sustainable industry options. Kānoa is also focused on social procurement options.

Kānoa aims to achieve a coordinated and integrated investment approach that reflects local interests and opportunities. For example, in Taupō, co-investments in partnership with Taupō District Council, its Airport Authority, local businesses and the community delivered three significant projects: the Taupō Town

### Regional Strategic Partnership Fund (approved funding by sector)



Centre Transformation project, the new Taupō Airport terminal and the Eastern Arterial Shared Path. These aligned projects have boosted the quality of infrastructure and visitor experience and given employment opportunities to nearly 280 people involved in the construction of the three projects.

Business and Economic Research Limited (BERL) gathered information on the impacts of funding in Te Tai Tokerau/Northland and the engineering sector (reflecting investment across multiple funds), plus the manufacturing sector and Te Ara Mahi 'Pathways to Work' programme (reflecting investment through the Provincial Growth Fund). BERL calculated that the \$797 million invested in Tai Tokerau from 2017 to 2022 generated total economic output of just under \$1.2 billion through direct, indirect and induced effects, and an estimated equivalent of over 5,500 full-time equivalents (FTE) over the period. In the manufacturing/engineering sector, BERL calculated that the \$79.5 million of funding was estimated to have generated total economic output of \$165.5 million and created the equivalent of 1,390 FTEs over the period from 2019 to 2022. Responding to an online survey 88% of businesses reported an increase in permanent employees (of which two-thirds were local), with 84% reporting increased innovation capacity.

The Regional Strategic Partnership Fund of \$200 million is one of a portfolio of funds administered by Kānoa. It focuses on three main themes: enabling regional economic and business development, accelerating Māori economic aspirations, and supporting sector transformations. So far over \$134 million has been approved through the Regional Strategic Partnership Fund in projects across 13 sectors.

One of the projects is the Toitū Builtsmart Facility in Te Tairāwhiti/Gisborne, which is intended to deliver over 50 much needed homes for Tairāwhiti, create 18 direct full-time jobs, while providing a site for Toitū Tairāwhiti Māori trades training. The project received \$4 million to help with the construction of the site, which is now open. The remaining \$4 million was provided by Toitū Tairāwhiti.

Seed funding of \$6 million is also being invested in pursuing the commercial potential of products like oat milk, through New Zealand Functional Foods, the company established by Southland's economic development agency, Great South. Oat milk popularity has soared nationally and globally. However, to command a premium price, remain low in emissions and provide the most value to farmers, it should also be processed locally. Funding will support development of a regionally based specialised processing plant, supporting diversified and sustainable farming options, as well as employment.

MBIE also supports regional business development through initiatives such as the Regional Business Partner Network. This provides one-to-one business support, through delivery partners across the country. The network has supported over 5,100 business owners to create tailored action plans and develop their management capability to support the growth of their businesses, in a way that suits them. Through access to local and national tools, advisors connect businesses with support, tools, mentors and training providers to support this. In addition, over 2,200 businesses have accessed management capability funding to improve their management skills.

MBIE also supports the work of 15 Regional Skills Leadership Groups. These independent advisory groups are locally based and regionally led. They identify and support better ways to meet future skills and workforce needs in their regions, both now and in the future, and advise on actions to address these. The groups are part of a joined-up approach to labour market planning that will help the workforce, education and immigration systems work together to better meet the differing skills needs across the motu.

This year, TAS supported thousands of households by finding temporary accommodation following emergencies while their homes were being repaired, rebuilt or if they were unable to return to their homes. When TAS moves into the recovery phase, medium to longer term options, such as apartments, Airbnbs and, in some cases, temporary villages, are set up to make sure households have more stability. One such village was completed in January 2023. This was after the displacement of families following the Westport flooding event in July 2021, which resulted in 315 registrations for TAS. The \$17 million village has provided support to the Westport housing supply as the community rebuilds. It also supported the economic recovery of local businesses, with jobs and apprenticeships in the community supporting the building of temporary homes.

## **Tourism**

Prior to the COVID-19 pandemic, tourism was a key export earner for the country. With the full reopening of the border, we have focused efforts on supporting the rebuilding of the sector, including with an emphasis on a more sustainable and regenerative model. While International visitor arrivals across the year were only 65% of those in 2019 (at 2.5 million), international tourism electronic card spends was \$3.2 billion, which is approaching 2019 levels. In the domestic market, domestic guest nights have now increased by 17% to 27.2 million and domestic tourism electronic card spend increased by 21% to reach \$11.7 billion, when compared to 2019 levels.

## **Major Events**

Hosting major events has the potential to generate direct and indirect economic, social and cultural benefits, including showcasing the country and its culture to an international audience. MBIE manages the Major Events Fund, a multiyear fund designed to ensure a pipeline of events is in place. The Rugby World Cup 2021 played in late 2022 (won by the Black Ferns) and the New Zealand SailGP races were two events supported through the year.

Significant preparation and support was focused on the FIFA Women's World Cup Australia & New Zealand 2023™, scheduled for July and August 2023. This event will leave a lasting legacy for the country through things like upgraded sporting facilities and a \$10 million leverage and legacy programme designed to grow Aotearoa New Zealand's economy, raise the profile of women and girls in sport and wider society, support communities to thrive, and enhance international relationships. The tournament was broadcast to a global audience of over 1.5 billion people, providing a unique opportunity to enhance Aotearoa New Zealand's reputation as a place to visit, do business and host major events.

## FIFA Women's World Cup Australia & New Zealand 2023™

In 2019, Aotearoa New Zealand won the bid to co-host the FIFA Women's World Cup 2023™ with Australia. To successfully host an event like this reflects significant work and commitment across multiple years. MBIE, as the lead government agency, was responsible for coordinating the all-of-government effort.



One of the main reasons Aotearoa New Zealand bids to host major international events like the FIFA Women's World Cup is because of the significant and lasting benefits they provide to the country, most notably, the opportunity they present to raise the value and visibility of women and girls in sport and wider society.

Such events shine a spotlight on the nation, bring tens of thousands of international visitors to Aotearoa New Zealand's shores, and highlight the country's distinctive culture. For instance, in October 2022, FIFA and 39 qualified teams for the main tournament and playoff tournament were among the manuhiri (guests) at the pōwhiri, led by Ngāti Whātua Ōrākei, for the official tournament draw in Tāmaki Makaurau Auckland.

Throughout 2022/23, a lot of work went into ensuring Aotearoa New Zealand was prepared to co-host the largest women's sporting event in the world. The work programme had two main components: the first focused on operational preparedness and making sure we were able to deliver a successful event. The second focused on how the tournament could be leveraged to create a legacy for the country and communities. Both required a large amount of work from internal teams within MBIE and our external stakeholders.

Government investment of around \$19 million supported upgrades at 30 potential sporting facilities across the country that were earmarked or selected for tournament use. Upgrades included pitch improvements, lighting and facility enhancements, and gender neutral changing spaces. These upgrades will benefit communities and different sporting codes that use the facilities. Additionally, they will put Aotearoa New Zealand in a stronger position when bidding to host major international events in the future.

MBIE worked closely with other government organisations to develop a FIFA Women's World Cup 2023 leverage and legacy programme. The programme was supported by a \$10 million fund and includes projects that will drive outcomes in four main focus areas: Mana Wāhine (raising the profile of women and girls in sport and wider society), Te Tangata (thriving communities), Te Ao (enhancing international relationships) and Ōhanga (economic growth).



One of the first projects to be announced as part of the programme was a collaboration between GirlBoss NZ and the Ministry of Education that supported young wāhine to further develop their confidence, resilience and leadership skills, using sport as a platform. Another project, Kōtuitui, by New Zealand Football and Sport New Zealand, was designed to help Kiwi kids learn about different cultures and encourage a collective identity.

# Outcome 2: Skilled People Engaged in Safe and Fulfilling Work

Supporting a responsive labour market where people are protected and can make the best use of their skills.

Overview				
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures
<b>Departmental</b> \$611 million  <b>Non-Departmental</b> \$2,243 million  <b>Streams</b> › Immigration system › Workplace Health and Safety › Accident compensation regulatory services  <b>Agencies</b> › ACC › WorkSafe	› Processing visa applications  › Skilled labour development  › Workplace safety  › Workplace relations and dispute resolution	› Immigration settings/ visas for workers and residents  › Pay agreement legislation  › Protection of workers  › Safety in the building and construction sectors  › Pasifika skills development  › Expanding ACC coverage for maternal birth injuries	+ Skills qualification + Skills occupation – Migrant skills matching + Total employment – Labour utilisation – Unemployment + NEET levels + Pay equity = Fatal injury = Serious injury	<b>Achieved 32/48</b>  Milestones 4/4 Quality 3/7 Satisfaction 8/10 Timeliness 13/22 Volume 4/5
*Key: + Positive shift – Negative shift = Unchanged				

It is important for workers to have a sense of security as the job market and economy continue to shift and people respond and adapt to major events like natural disasters and technological advancements. Individuals require work that provides fair pay, a sense of purpose and fulfilment, and the opportunity to develop essential skills, curate social connections and drive innovation.

## New Immigration Settings

Revamped immigration settings have been a major focus of efforts to reconnect Aotearoa New Zealand to the world, address immediate skill shortages and speed up economic recovery from the COVID-19 pandemic. This allow us to work with employers and investors and make sure they are complying with work standards and practices. Updates to our system have included the following:

- › 2021 Resident Visa: a one-off residence pathway targeted at people already working here in non-seasonal roles. By 30 June, over 94% of applications had been decided and more than 137,000 people had become New Zealand residents.
- › Green List skilled residence pathway: provides a new streamlined process to achieve residence for those globally hard-to-fill roles, where Aotearoa New Zealand also has particular skills shortages. The top occupations represented by applications were mechanical, construction, electrical, ICT engineers or technicians, quantity surveyors and registered nurses. Further occupations were added to the list during the year, including additional health sector roles. By 30 June, 2,985 applications had been received with over 63% approved.

- › Accredited Employer Work Visa: designed to make sure New Zealanders are first in line for jobs, while also being an efficient process for accredited employers to access migrant workers where genuine skills or labour shortages exist. By the end of June, over 20,200 employer accreditation applications had been approved. Most employers are doing the right thing and treat their migrant workers fairly and well. While not a new issue, the immigration systems of developed nations have all faced increased questionable activity, across all visa categories, as COVID-19 border restrictions were lifted. Through this visa category we have a new system of checks to improve our ability to detect and respond to exploitation, with the ability to suspend or revoke an employer’s accreditation if breaches of accreditation standards are found.
- › Recognised Seasonal Employer Scheme: the reopened borders meant the resumption of normal flows of workers, from participating Pacific countries, supporting the horticulture and viticulture sector. MBIE supported tripartite discussions that led to the Government’s decision to increase the worker cap by 3,000 to 19,000 per year from the 2022/23 season. Over the financial year, just over 16,900 RSE workers arrived in Aotearoa New Zealand. New provisions require employers to provide a sick leave entitlement to RSE workers and to complete e-modules on employment law rights and obligations.
- › Working Holiday Scheme: this is important in helping to meet fluctuating labour demand across industries like hospitality, agriculture and horticulture. To encourage the return of working holiday makers, our efforts included reissuing visas to people who had been unable to use them due to border closures, processing a one-off doubling of capped working holiday schemes, and extending visas of onshore working holiday makers. As at 30 June 2023, 44,935 Working Holiday visa applications had been approved, with 26,781 people arriving in the country.
- › Active Investor Plus Visa: opened to applications in September 2022, the new visa aims to attract more direct and upfront investment and better

integrate migrant investors into New Zealand’s business and investment ecosystem. Under the new policy, investors will be able to choose from a list of acceptable investment categories, including direct investments, acceptable private funds, and listed equities and philanthropy. We work closely with New Zealand Trade and Enterprise, which has responsibility for investor migrant attraction.

## Protecting Workers and Creating Safe Workplaces

Described as one of the biggest changes to labour market policy in 30 years, the Fair Pay Agreements Act was passed into law on 1 November 2022. The aim of the legislation is to improve employment conditions by enabling unions and employer representatives to bargain collectively for industry or occupation wide minimum employment terms. It seeks to raise minimum standards for workers and encourage competition through increased productivity, instead of reduced wages or employment terms. The change reflects intensive work and consultation over an extended period, including with employers, unions and academics.



Even in the 21st century, breaches of minimum employment rights remain a concern in Aotearoa New Zealand. The work of our Labour Inspectorate resulted in over 3,100 interventions this year to address breaches of employee’s entitlements. This included a milestone judgment from the Employment Court in December 2022, when a company was ordered to pay \$1.55 million in penalties for 120 discrete employment standards breaches, and over \$516,000 in owed wages

payable to the employees. The money was able to be paid out to the employees immediately following the ruling, because MBIE had secured a freezing order on the defendant's assets.

The outcome is the culmination of several years of investigative work by our migrant exploitation team and reflects the seriousness and systemic nature of the offending. The affected employees were mostly migrant workers and were relying on their employment to support their visa status. Attracting skilled migrants into Aotearoa New Zealand is an essential part of MBIE's plans to strengthen the country's working population, and instances like this can damage the national reputation. MBIE has been leading an in-depth review to offer more protection and support to migrant worker communities by identifying solutions to make sure they have long-term employment protection. These solutions will identify deliberate and sustained worker exploitation and support migrant workers, families and local communities both now and in the future.

It is important to make sure the building and construction sector is as safe as possible and operating well. Among several other significant initiatives, this year, MBIE consulted with the public on occupational regulation reforms in the sector for licensed building practitioners, plumbers, gasfitters and drainlayers, registered architects and electrical workers. This reform has created a stronger framework to increase worker wellbeing, protect the public from harm, and make sure services are performed with reasonable care and skill. Building and construction reform is an essential part of improving processes to make sure Aotearoa New Zealand's skilled tradespeople are treated with respect and care.



## **Lifting the Economic Wellbeing of Pasifika Communities in Aotearoa New Zealand with Alo Vaka: The Auckland Pacific Skills Shift**

Creating opportunities for Pasifika workers, communities and families in South and West Auckland to identify and follow skills pathways to higher quality, better paid employment.

In May 2020, MBIE received Cabinet approval for funding (\$22.06 million over four years) from the COVID-19 Response and Recovery Fund for the design and delivery of the Auckland Pacific Skills Shift. The COVID-19 pandemic disproportionately affected Pasifika communities in Aotearoa New Zealand, compounding the existing and long-standing inequitable social and economic outcomes experienced by Pasifika.

Our delivery partners gifted the programme name 'Alo Vaka' – 'Alo' from the Samoan word to row, and 'Vaka' from the Tongan/Cook Island Māori/Niuean word for canoe. Alo Vaka recognises that providing opportunities and support for people to upgrade their skills is likely to enable them to do better socially and economically and increase their resilience. In turn, they will also help businesses to drive innovation, productivity and growth. Alo Vaka does this by addressing foundational employment gaps for Pasifika workers, their families, employers and within the system.

"Pacific employees often have hidden skills and knowledge from what they do at home and in their community. When they are empowered to use those skills, business[es] thrive and so do they."

Alo Vaka resulted from conversations about what a 'different' approach to effecting change might look like. What emerged is a multi-pronged partnership with community partners, 'āiga, employers, workers and government agencies working together to:

- › address in-work training system gaps and barriers that disproportionately affect Pasifika workers
- › provide Pasifika workers with skills and experience to support transition into higher quality employment
- › develop insights on how the social services system can achieve greater employment outcomes
- › provide opportunities to improve digital skills and obtain micro-credentials.

Early results of the programme are very encouraging:

- › Over 2,300 micro-credentials have been delivered to allow Pasifika employees to transition into higher quality employment.
- › Targeted economic support provided to 104 'āiga and whānau (642 individuals) is increasing resilience to labour market disruptions and addressing barriers that prevent families from finding and taking up training and career advancement opportunities.
- › Seven employers are testing a Good Employer Matrix promoting best practice in employing Pasifika staff, including Auckland Council, benefitting 500 Pasifika employees.
- › Delivery partners used programme insights to develop 11 standalone reports and guides to influence the social services system and support agencies in their work with Pasifika families to achieve greater employment outcomes.

# Outcome 3: Informed Consumers and Businesses Interacting with Confidence

Allowing businesses to operate effectively, while protecting consumers from harm.

Overview					
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures	
<b>Departmental</b> \$303 million  <b>Non-Departmental</b> \$235 million  <b>Streams</b> > Commerce and consumer affairs > Financial markets > Tenancy > Building  <b>Agencies</b> > Commerce Commission > Financial Markets Authority	> Information, advice and support to people and businesses  > Fair and resilient systems  > Dispute resolution  > Building systems  > Tenancy services  > Intellectual property  > Emergency Caller Location Information service	> Safety recalls  > Dispute resolution  > Supporting businesses to operate in a digital environment  > Construction contract changes protecting sub-contractors  > Critical Materials Taskforce  > Building code improvements  > CodeMark scheme	= Consumer awareness  – Consumer confidence  = Dispute resolution access  + Tenancy mediation satisfaction  + Employment mediation  + Business experience with government  + Visa application experience  N/A Reducing burden of regulations	<b>Achieved</b>  Milestones Quality Satisfaction Timeliness Volume	<b>52/67</b>  10/10 15/20 8/10 15/21 4/6

\*Key: + Positive shift – Negative shift = Unchanged N/A Not Available

MBIE aims to make sure consumers and businesses are informed and can interact with confidence. We achieve this by regulating markets, providing critical information to consumers, and supporting businesses to grow and evolve.

As part of being people centred and customer centric (a core part of MBIE’s organisational strategy, Te Ara Amiorangi), we developed *Our Promise, Te Kī Taurangi of Simple, Māmā; Safe, Haumarū; Certain, Mārama* defining what our customers can expect when they interact with us. This was the result of significant engagement with customers and listening to what is important to them. Sitting alongside *Our Promise, Te Kī Taurangi* is a reciprocal ‘Customer Expectation,’ outlining what we ask from customers so we can best help them.

## Providing Core Services to New Zealanders

Many people need quick access to accurate information and advice, this includes businesses, landlords and tenants, New Zealanders abroad, and people around the world who want to move, study or work. To help keep people and businesses informed and safe, MBIE runs over 50 public phone lines through its service centre infrastructure.

During the year, over 1,180,000 calls were accepted by our MBIE service centres. These voice channels include, but are not limited to, Immigration New Zealand, Tenancy Services, Employment New Zealand, the Companies Office and WorkSafe New Zealand. The highest volumes

were related to Immigration New Zealand, Building and Tenancy and Employment New Zealand.

While some calls are simple, we often support people through complex situations. Our service centre people are supported to quickly learn new information as it comes to hand, so they can provide the right information. Callers report feeling supported, and this reflects significant efforts to make our services accessible so people find it easy to do the right thing.

MBIE's efforts to make sure New Zealanders are informed and protected spans many areas and services. Across 2022/23:

- › We published 97 voluntary consumer product recalls and identified 13 high risk consumer products.
- › Our national Computer Emergency Response Team (CERT NZ) received 7,700 reports of cyber incidents, with phishing attacks, malware, scams and fraud making up most reported incidents. As of 31 August 2023, CERT NZ will be integrated into the National Cyber Security Centre in the Government Communications Security Bureau on the recommendation of the Cyber Security Advisory Committee.
- › Over 15,000 total interventions were delivered by MBIE's Employment Dispute Resolution Services, including over 4,100 mediations and over 1,700 early resolutions, with an 80% customer satisfaction rating of high or very high.
- › We delivered multiple consumer awareness campaigns to empower consumers, from consumer rights regarding Christmas holiday purchasing, to scams and fraud, with over 890,000 visits to the Consumer Protection website in 2022/23.
- › We updated important tools, such as the Climate Action Toolbox, with a version of the tool providing industry specific guidance for construction businesses. The toolbox includes an emissions calculator and helps businesses develop action plans to reduce emissions. It has had over 25,000 visits since the calculator was released in June 2022.

## Supporting Business and Commercial Operations

MBIE also provides a range of foundational services that underpin commercial operations, such as:

- › The Companies Office, with 721,819 companies registered at the end of June 2023, and over 55,000 new company registrations and 37,000 removals across the year.
- › The Intellectual Property Office of New Zealand: the Office's registers contained over 12,000 registered designs, 24,000 granted patents, 1,300 granted plant variety rights, 330,000 registered trade marks, along with 27 registered geographical indications as at the end of June 2023.
- › The New Zealand Business Number (NZBN): this is a globally unique identifier that enables parties to quickly and digitally access all the basic details of a business and confirm or ascertain whether it is real. As at 30 June, over 950,000 NZBNs were registered and the application programming interface was called, on average, over 28 million times each month, saving people time and ensuring they had correct information.

Following on from efforts during the COVID-19 lockdowns, to support businesses with mental health and wellbeing initiatives, the "Brave in Business e-learning series" was launched. Developed in partnership with Spark Business Lab and the Institute of Organisational Psychology, this is a series of micro-courses that support the mental wellbeing of small businesses.

Ensuring Kiwi companies can operate in the digital era is an ongoing area of focus. The Digital Boost digital enablement programme offers small businesses digital expertise at their fingertips. It supports small businesses that are early on in their digital journey with free education, training and tools to boost their digital capability. This year, the Digital Boost Educate platform hit a milestone, with over 60,000 registered users. Research shows that, after using the platform, 88% felt confident becoming more digital and 57% of users are generating income online.

Our Business Connect platform seeks to make it easier for firms to do business with government. This year we launched FormBuilder.govt, which gives government agencies and councils a way to develop online service forms in days, rather than weeks or months. The tool is easy for non-technical government users to prototype and publish simple services. The forms it creates are designed to work with the latest mobile devices, with guaranteed standards of accessibility, security and privacy built in.

To help in the prevention of retail crime, the Fog Cannon Subsidy Scheme was established in December 2022. It provides a subsidy of up to \$4,000 for small retail businesses, such as dairies, bottle stores and service stations, to have fog cannons installed. This scheme went live on 1 February 2023, as part of the New Zealand Police Retail Crime Prevention Programme, and is administered by MBIE. As at 30 June 2023, over 2,300 applications from retailers have been approved with just over 1,000 fog cannons installed.



## Building Safety and Regulation

MBIE also has a strong focus on improving regulatory systems, such as the Building Code, which is an important way to enhance the safety and quality of future buildings. Recent changes include reducing the maximum allowable lead content for plumbing products that come into contact with potable water, as well as the compliance pathway for hollow core floors, minimising the chance of poorly designed flooring systems.

In October 2022, the updated National Seismic Hazard Model was released. This concluded a rigorous two year review led by GNS Science in collaboration with MBIE, Toka Tū Ake Earthquake Commission, and supported by many local and international scientists, engineers, universities and Crown research institutes. The model helps deliver science based estimates that are essential for Aotearoa New Zealand to develop risk assessments and manage risks to safety, security and the economy from seismic events.

This year we released the Building and Construction Sector Trends: Annual Report 2022. The report provides an overview of the sector's performance in the past year and looks at international trends and innovations that could be adopted to make the industry more environmentally friendly, a safer place to work, more cost efficient and resilient.

## Responding to Emergencies

Following a temporary jet fuel shortage in December 2022, we supported the Government to strengthen Aotearoa New Zealand's fuel supply system. This includes initiatives to increase supply resilience, through new minimum onshore fuel stock obligations for fuel importers and wholesalers, along with promoting competition in the wholesale fuel market, sustainability and encouraging more competition.

In December 2022, the sole domestic producer of carbon dioxide (CO<sub>2</sub>) halted production due to a safety issue, exacerbating a national shortage and increasing prices for commercial users across the country. MBIE played a central coordination role, supporting government agencies to monitor the situation. MBIE worked with CO<sub>2</sub> suppliers to make sure medical facilities and water treatment facilities received the supplies they needed and that ongoing plans were in place for their continued prioritisation. Since domestic production of CO<sub>2</sub> resumed in June 2023, MBIE has been continuing to explore longer term options to lessen the potential for any future disruption.

## **Monitoring Marine Fuel to Reduce Global Emissions**

In May 2022, New Zealand signed up to Annex VI of the International Maritime Organization (IMO) Convention for the Prevention of Pollution from Ships (MARPOL). These international maritime regulations aim to address climate change impacts from shipping and reduce the total global emissions from marine transport.

In 2022, Cabinet agreed that the Engine Fuel Specifications Regulations 2011 should be amended to establish new requirements for the supply of marine fuel and make sure compliance with MARPOL can be demonstrated.

Since then, Maritime New Zealand and MBIE's Trading Standards team have been working together to ensure compliance with MARPOL requirements.

To do this, they have published a register of marine fuel suppliers, undertaken detailed supply chain modelling and analysis and are building statistically based fuel sampling plans. The goal is to be data informed and to measure real outcomes that will result in environmental improvement. For example, air pollution data around ports will be used to track air quality changes due to this work.

Maritime New Zealand and the Trading Standards team have been using marketplace intelligence to target monitoring activities based on risks of non-compliance. So far, 53 marine fuel sample sets have been tested including those from ships in port, road tankers and port storage terminals. This monitoring and enforcement has been undertaken using existing systems and expertise.

Sampling and testing of the marine fuel completed to date have largely confirmed compliance with marine fuel specifications but issues have been identified with documentation required to accompany marine fuel deliveries. These issues are being resolved through education of fuel suppliers.

Maritime New Zealand and MBIE will use this data to publish an annual report on the results of the testing, and to provide joint input and feedback to the IMO Marine Environment Protection Committee.

# Outcome 4: Value Sustainably Derived from The Natural Environment

Aotearoa New Zealand’s natural environment is important to the country’s sense of identity and has great cultural and recreational significance. It is essential to the economy and our way of life.

Overview					
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures	
<b>Departmental</b> \$41 million	<ul style="list-style-type: none"> <li>› Security and operations of energy systems and markets</li> </ul>	<ul style="list-style-type: none"> <li>› Renewable energy</li> <li>› Net zero carbon emissions</li> </ul>	<ul style="list-style-type: none"> <li>– Reducing net greenhouse gas emissions</li> </ul>	<b>Achieved</b>	<b>8/17</b>
<b>Non-Departmental</b> \$313 million	<ul style="list-style-type: none"> <li>› Promoting energy efficiency, conservation and renewables</li> </ul>	<ul style="list-style-type: none"> <li>› Southland Just Transition Work Plan</li> </ul>	<ul style="list-style-type: none"> <li>+ Sustainability of our energy system</li> </ul>	Milestones	2/3
<b>Streams</b> <ul style="list-style-type: none"> <li>› Energy</li> <li>› Minerals</li> </ul>	<ul style="list-style-type: none"> <li>› Management of Crown mineral estate</li> </ul>	<ul style="list-style-type: none"> <li>› Energy education</li> </ul>	<ul style="list-style-type: none"> <li>+ Increasing efficiency of our energy system</li> </ul>	Quality	1/3
<b>Agencies</b> <ul style="list-style-type: none"> <li>› Electricity Authority</li> <li>› Energy Efficiency and Conservation Authority</li> </ul>	<ul style="list-style-type: none"> <li>› Decommissioning oil fields</li> </ul>	<ul style="list-style-type: none"> <li>› Emissions Reduction Plan, National Adaptation Plan</li> <li>› Crown mineral system amendments</li> </ul>		Satisfaction	2/3
				Timeliness	3/5
				Volume	0/3

\*Key: + Positive shift – Negative shift = Unchanged

Kaihāpai (being a guardian or to protect) and kaitiakitanga (stewardship) are important to the way MBIE considers its responsibilities, particularly around sustainability. We work to make sure Aotearoa New Zealand’s natural resources are used in a sustainable way so they can continue to benefit New Zealanders for generations to come. We also take a systems approach to climate change mitigation and adaptation, supporting businesses and regions to transition to more sustainable products and services, and encouraging New Zealanders to live sustainably.

## Just Transitions

For MBIE, as an economic development agency, a priority is that climate change strategy and policy are aligned with the broader economic strategy of a high wage low-emissions economy. As part of the Just Transition Programme, the Government partners with businesses, communities, iwi and workers to drive the

transition to a low-emissions, high wage economy. In May 2023, the Government announced a \$108 million investment in Southland’s just transition. The announcement comes after two years of planning, delivered in partnership with regional leaders from iwi, local government, business, unions, the education and primary sectors, and community.

In addition, the Just Transition Programme supported Taranaki stakeholders to plan and manage the region’s transition in response to the Government’s decision to stop new oil and gas exploration. The \$2.7 million in funding culminated in the region’s plan, Taranaki 2050 Roadmap, outlining the areas of focus and initiatives to transition the region to a renewable energy future, with a particular focus on supporting iwi involvement.

## Supporting Transition to Cleaner Energy

The Government's energy strategies focus on transitioning the country to reach 100% renewable electricity by 2035 and to be a net zero carbon emitter by 2050. This year, Standards New Zealand, an independent business unit within MBIE, has supported this transition and the goal for environmental sustainability through several significant initiatives, including:

- › Putting together a framework for hydrogen standards implementation. Hydrogen is emerging as an important technology that could help to achieve the sustainability targets by 'decarbonising' the economy.
- › Creating guidance for the use and installation of residential and commercial electric vehicle (EV) chargers. Along with colleagues at the Ministry of Transport, we led consultation on an EV charging strategy, Charging our Future, from March to May 2023. The strategy sets out the Government's long-term vision for national EV charging infrastructure and makes sure access to charging options is not a barrier to EV uptake.
- › Supporting the use of timber as a renewable and carbon negative resource for structures.
- › Creating a set of guidelines, alongside the Energy Efficiency and Conservation Authority, to help people understand what a smart home is and how to create one.



This year, as part of our work to encourage New Zealanders to live sustainably, the third funding round of the Support for Energy Education in Communities Programme saw \$1.7 million being made available for community groups, organisations and businesses to apply for. This funding supports the delivery of energy education and low-cost energy saving devices to households in need that want to bring down their power bills. The first two funding rounds resulted in more than 6,500 households receiving free energy education, and more than 67,000 low-cost energy saving items, like LEDs, being handed out. A further \$2.95 million of funding through the programme will be available in 2023/24.



## System-Level Change

This year, amendments were proposed to the Crown Minerals Act 1991, to support more environmentally conscious management of resources. Under the amendments, the Act no longer actively promotes prospecting, exploration and mining of Crown owned minerals. The increased flexibility in the management of Crown owned resources enables development to be promoted where there is a need and minimised where there is not. The amendments bring the Act up to date, allow us to respond to the evolving national needs, and give the sector greater certainty about the future of minerals decision making. Fossil fuels will be phased out in a way that makes sure energy remains secure, reliable, accessible and affordable for all New Zealanders.

MBIE is kaitiaki of a large volume of geoscience data, much of which is now available through a new online

system, the Geodata Catalogue. The new system is more functional, regulated parties can upload data directly into the system and it includes an interactive map to allow viewers to explore and download datasets. This move to Cloud based solutions is in line with MBIE's Digital Blueprint programme.

Several of the initiatives in this section are actions included in Aotearoa New Zealand's first Emissions Reduction Plan and National Adaptation Plan, which were released in 2022. Both plans set ambitious targets to reduce Aotearoa New Zealand's emissions to meet the country's Paris obligations and support the transition to a thriving, climate resilient economy. Consequently, MBIE is significantly involved in delivering the country's climate change objectives from each plan, leading or co-leading over 40% of the Emissions Reduction Plan actions, and 15% of those in the National Adaptation Plan. The breadth of the ambition in each plan touches many of MBIE's portfolios, from the decarbonisation of the electricity

sector to research, science and innovation, to Just Transitions to improving building standards to a circular economy. Further examples of recent initiatives include:

- › Partnering with Air New Zealand to investigate the feasibility of producing sustainable aviation fuel in Aotearoa New Zealand.
- › Partnering with NZ Steel to purchase a new electric arc furnace for the Glenbrook Steel Mill eliminating 800,000 tonnes of carbon per year.

MBIE is focused on evidence based policy and advice to make the best decisions for the future of the country. We work with other public sector agencies, industry groups, the science and innovation sector, and communities to deliver better outcomes for New Zealanders and to support Aotearoa New Zealand's transition to a climate resilient, low-emissions, high wage economy.



## **Māori Housing Renewable Energy Fund**

One hundred and fifty Māori households will benefit from clean, affordable and locally generated power through government support for 16 small scale solar projects.

The third round of the Government's Māori Housing Renewable Energy Fund provided \$3 million in funding to support households with insecure access to power or that are experiencing energy hardship. Many more will benefit from the sharing of surplus power through community energy networks or micro-grids. This fund is one-half of the \$28 million Māori and Public Housing Renewable Energy Fund.

Of the 16 projects, seven are located in Te Tai Tokerau/Northland, one is in Te Tai o Aorere/Tasman and the others are spread across Te Ika-a-Māui/North Island. All projects generate solar power but differ in how they store and share energy. One will install solar panels on eight marae along the eastern coast of Northland, creating a virtual network to support rural households under the Kaupapa of Te Poari o Ngātiwai, known as Te Rangi Paki o Ngātiwai. Another, in the Bay of Plenty, is installing a solar smart grid across 35 homes in a papakāinga (communal Māori land) that will share a community battery.

These projects are also developing the knowledge and skills of the local community. For example, Te Āhuru Mōwai, a Ngāti Toa owned community housing provider, received earlier funding and is now collaborating with Victoria University of Wellington researchers to support community houses with innovative solar energy solutions. They have teamed up with SolarZero, which is looking to use, train and support an iwi affiliated company to help with the installation, and they are also working with a local Māori electrical trade business. Te Āhuru Mōwai installations began in August 2022 and aim to make a meaningful difference to the general wellbeing, including financial, of the tenant whānau supported by this initiative.

# Outcome 5: A Dynamic Business Environment Fostering Innovation and International Connections

Aotearoa New Zealand needs a business environment that is dynamic, where businesses can respond to new opportunities and resources are allocated to their most productive use.

Overview				
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures
<b>Departmental</b> \$219 million  <b>Non-Departmental</b> \$1,601 million  <b>Streams</b> > Research, science and innovation > Technology and communications > International business growth and investment > Film production  <b>Agencies</b> > Callaghan Innovation > New Zealand Trade and Enterprise	> Investment in research, science and technology > Improvement of digital technologies and communications > Cyber security services > Improving public sector procurement	> Shape of our future RSI system > RSI funding > Responding to climate events > Spectrum to benefit Māori > Digital connectivity > National space strategy > Airspace integration trials > Long-term insights briefings	+ Businesses exporting - Firms collaborating internationally = Innovating firms = Business R&D expenditure - Business dynamism + Capital intensity = Productive capital investment + Early stage capital investment - Quality of FDI N/A Ease of Doing Business survey	<b>Achieved</b> <b>29/39</b>  Milestones    20/20 Quality        0/2 Satisfaction    3/6 Timeliness     6/10 Volume         0/1
*Key: + Positive shift – Negative shift = Unchanged N/A Not Available				

A dynamic business environment that fosters innovation and international connections is essential for economic growth and prosperity. MBIE works to create this environment by providing support for businesses to innovate, investing in research and development, and promoting Aotearoa New Zealand on the international stage.

### Digital Innovation and Development

MBIE led the cross-agency development of Te Rautaki Matihiko mō Aotearoa – The Digital Strategy for Aotearoa. The strategy and supporting action are

based on three main pillars: Mahi Tika – Trust, Mahi Tahī – Inclusion and Mahi Ake –Growth. It includes targets around high speed internet availability for all New Zealanders, making the digital and ICT sector a leading export earner, and limiting cyber incidents. As a living strategy, it will continue to evolve and change with technology, helping people to adapt to new issues and opportunities.

The development of digital connectivity infrastructure is a vital component of future growth, productivity and global competitiveness. Significant funding has been invested over several years to improve the national

communications infrastructure, including through initiatives focusing on ultra-fast broadband, rural broadband, mobile black spots and marae connectivity.

We continue to see progress in improving connectivity in rural and remote areas. As at 30 June, nearly 81,000 rural homes and businesses have improved broadband through the Rural Broadband Initiative and over 31,000 rural households and businesses have improved broadband capacity through the Rural Capacity Upgrade programme. In addition, we continue to receive applications for the Remote Users Scheme from households or businesses where broadband is not currently available. In April 2023, the 400th mobile tower had been delivered through the Rural Connectivity Group. Further planned rollout of 5G services to around 55 towns and expanded mobile wireless coverage in rural areas will continue lift connectivity for many New Zealanders.

MBIE also led development of the report *Lifting Connectivity in Aotearoa: Government Statement of Intent for Improving Digital Connectivity*. It tells the story of, and builds on, the work done by successive governments and the private sector to invest in improving connectivity. Cyclone Gabrielle highlighted the importance of access to reliable mobile and internet services to provide timely information both through the response and recovery of adverse events.

In June 2023, spectrum management rights for 3.5 gigahertz and the Ka Hao fund were transferred to the interim Māori Spectrum Commission for the benefit of Māori. This followed the signing, in February 2022, of a Memorandum of Understanding between the Crown and Māori, marking the start of an enduring agreement to address Māori interests in the spectrum. It establishes a strong foundation to accelerate Māori participation and innovation in spectrum related industries in the digital economy, delivering economic, cultural, social and environmental benefits. It also enables Māori to play a significant role in the telecommunications industry. MBIE has had an important role in this mahi, working closely with colleagues at Te Puni Kōkiri.

## Investing in Research

We are responsible for the Endeavour Fund, the country's largest contestable research fund. It provides investment for projects to help build a productive, sustainable and inclusive economy to improve the wellbeing of New Zealanders. In the 2022 funding round, 443 applications were received, 71 were approved for funding and over \$236.5 million was allocated. These were selected by the Science Board, an independent statutory board, following review by independent experts from Aotearoa New Zealand and overseas. Successful proposals include:

- › Developing new technology to reduce geothermal carbon emissions.
- › Forecasting future threats, such as volcanic eruptions and earthquakes.
- › Using artificial intelligence to make weather and climate projections.
- › Creating soilless precision farming through ultra-clean water production.

Our research funding and support programmes aim to build a high-performing science and innovation system. This year, various funds and partnerships enabled innovation that helped support communities. For instance working with NZ Police on the development of a tool that helps reducing drug harm, and funding food safety science and research that will benefit us as a food exporting nation. Funding was also provided as part of the science response to Cyclone Gabrielle, from the Strategic Science Investment Fund. This helped accelerate the development of RiskScape, a risk assessment tool used to evaluate the potential impacts of natural hazards on communities and assets. RiskScape enables decision makers to investigate community or sector risks and provides a transparent evidence base for the costs and benefits of interventions. It also models the direct damage and monetary losses in a flood damage analysis giving users the tools to understand and predict consequence, in order to plan for, mitigate and adapt to flooding events. In addition, RiskScape won 'Best Hi-Tech Solution for the Public Good' at the 2022 NZ Hi-Tech Awards.

## Global Connections Through Outer Space Initiatives

As part of our space and advanced aviation related work, MBIE advanced the Airspace Integration Trials Programme, which supports the safe testing, development and market validation of advanced uncrewed aircraft in New Zealand. Established in 2019, the programme is a collaboration between MBIE, the Ministry of Transport, the Civil Aviation Authority and Airways New Zealand. The programme has 12 industry partners, who are testing and demonstrating uncrewed aircraft for various purposes including passenger transport, cargo delivery, agricultural services, and hazard management and monitoring services.

MBIE also supported the New Zealand Space Agency's Rongowai project, a partnership with NASA and Air New Zealand to monitor the environmental signs of climate change. This is achieved by a next generation sensor mounted on an Air New Zealand Q300 (which

took its first flight in September 2022), collecting scientific data as it flies across Aotearoa.

## Looking to the Future

One way we are preparing for the future is through Long-term Insights Briefings. We presented a Long-term Insights Briefing to Parliament in November 2022 that explores how the future of business in Aotearoa New Zealand may be shaped by two trends: growth in purpose led businesses and the use of blockchain technology. Long-term Insights Briefings provide the opportunity to enhance public debate on long-term issues and usefully contribute to future decision making, not only by government but also by Māori, business, academia, not-for-profit organisations, communities and the wider public.



## **Aotearoa New Zealand Students Launch Space Careers with Scholarships**

The New Zealand Space Agency within MBIE leads space policy, regulation and the development of the national space sector.

To help shape Aotearoa New Zealand's future in space and to grow talent, the agency administers fully funded scholarships to a small number of students each year.

In 2023, five students were awarded the scholarship to undertake an internship for around 16 weeks at NASA's Jet Propulsion Laboratory, as part of the Visiting Student Research Programme. With the support of a mentor, students work on space related research and development projects such as:

- › Conducting large-scale data analysis of exoplanet transits collected by students and amateur astronomers, to identify new planets or signals of orbital changes.
- › Developing intelligent algorithms to help the Exobiology Extant Life Surveyor to explore extreme terrains, such as glacial conduits and ocean worlds such as Saturn's moon.
- › Creating the capability to use a tiny piece of code to fix a software vulnerability on mission critical spacecraft without needing to reboot.
- › Speeding up an engineering calculation called topology optimisation by using neural networks, a popular machine learning algorithm used in artificial intelligence.

The scholarships form part of the New Zealand Space Agency's efforts to support the development of Aotearoa New Zealand's space sector.

Through the Artemis Accords and recent Bilateral Trade and Investment Framework Agreement signed between the New Zealand and US governments, the relationship with NASA continues to offer new opportunities for space science, technology and cooperation on a global scale.

Since 2016, MBIE's space activities have included promoting science, technology, engineering and maths education, encouraging more New Zealanders to pursue careers in space industries, and to support New Zealand's participation in international space activities.

The scholarships are helping to develop the next generation of space leaders.



# HE KŌRERO MŌ MĀTOU ABOUT US

We strive to be a place where people want to work and where they are safe, listened to and valued. We want our people to feel like they belong and make MBIE a place where they grow personally and professionally through meaningful work.

Our strength is in the diversity of our people whose work supports communities and businesses across Aotearoa New Zealand. We aspire to better reflect the communities we serve and manaaki (uplift and care for) one another to deliver for New Zealanders.

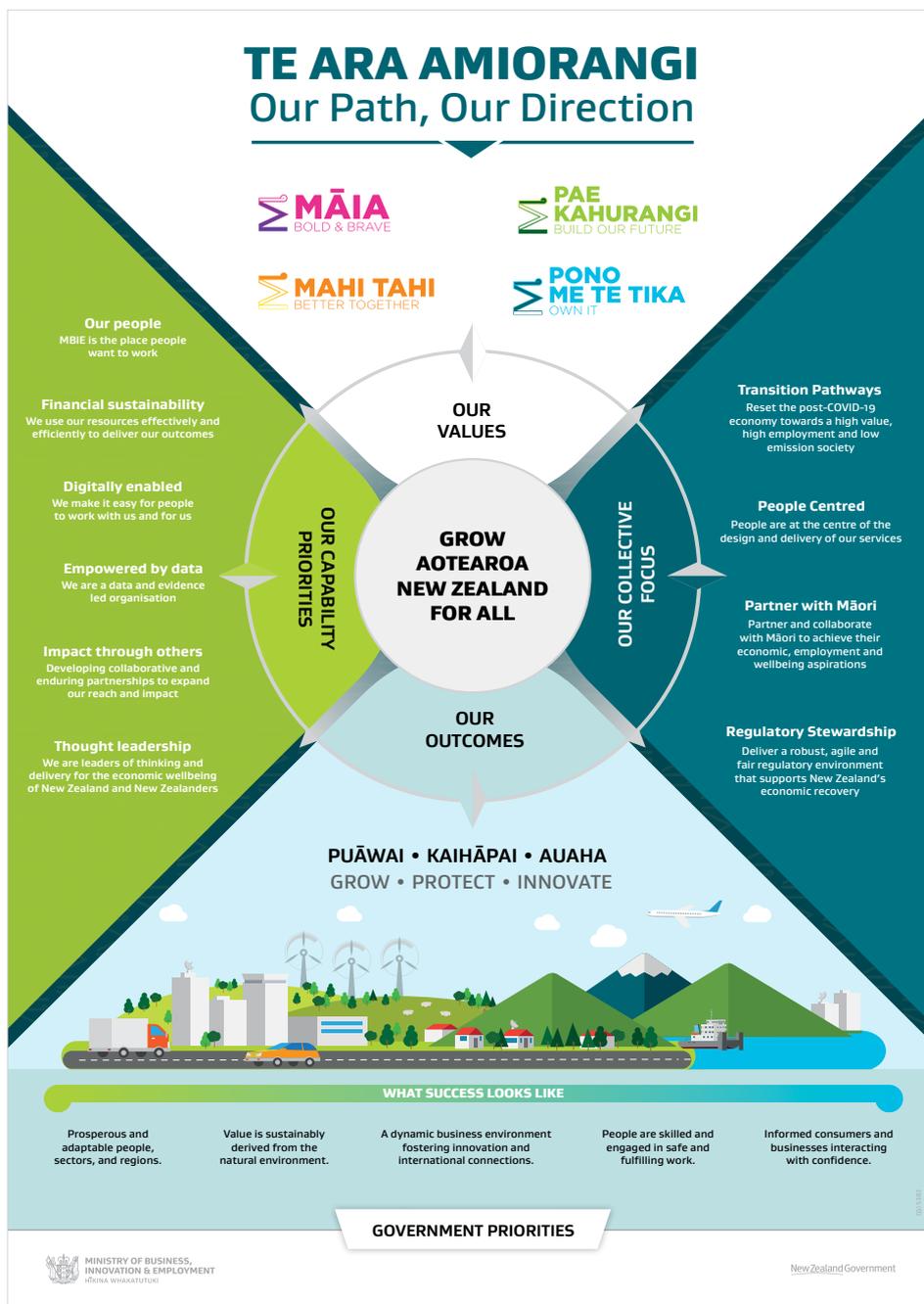
# Our Values

Our values guide how we work and interact with one another and with our customers and partners. Alongside our values, our culture embraces a spirit of service to the community. The spirit of service is about respecting the experience of others, delivering our services to 'Grow Aotearoa New Zealand for All' and working together (mahi tahi) with other public service agencies to achieve shared outcomes that make the biggest difference for New Zealanders.

 <h2>MAHI TAHI</h2> <p>BETTER TOGETHER</p> <p><b>Mā mahi tahi, ka ora, ka puāwai</b> <i>By working together we will flourish and achieve greatness</i></p> <ul style="list-style-type: none"><li>We collaborate and respect the experiences of others</li><li>We share our knowledge</li><li>We connect and partner with our communities</li></ul>	 <h2>PAE KAHURANGI</h2> <p>BUILD OUR FUTURE</p> <p><b>Ka huri taku aro ki te pae kahurangi, kei reira te oranga mōku</b> <i>We turn our attention to the future, that's where the opportunities lie</i></p> <ul style="list-style-type: none"><li>We learn from the past to shape the future</li><li>We protect what's precious, our taonga</li><li>We listen to lead the way</li></ul>
 <h2>MĀĪA</h2> <p>BOLD &amp; BRAVE</p> <p><b>Tāwhia tō mana kia mau, kia māia</b> <i>Retain and hold fast to your mana, be bold, be brave</i></p> <ul style="list-style-type: none"><li>We challenge the status quo</li><li>We're curious</li><li>We explore new ideas</li></ul>	 <h2>PONO ME TE TIKA</h2> <p>OWN IT</p> <p><b>Ā mātou mahi katoa, ka pono, ka tika</b> <i>Taking responsibility to commit to doing things right</i></p> <ul style="list-style-type: none"><li>We take responsibility and do what we say we will</li><li>We embrace the differences of others, always</li><li>We hold ourselves and each other to account</li></ul>

# Leadership, Governance, and Risk

Our senior leadership team consists of the Secretary (Chief Executive), eight deputy secretaries, and the Chief Advisor to the Secretary. They are responsible for MBIE's organisational strategy, Te Ara Amiorangi, and the achievement of MBIE's strategic outcomes, including the ongoing stewardship of MBIE, its people, systems and functions.



MBIE's ownership minister, the Minister for Economic Development, is accountable to Parliament to make sure we carry out our functions properly and efficiently. MBIE's Secretary is accountable for the leadership and overall performance of the organisation, as well as representation on various boards and governance entities, such as the Council of Financial Regulators.

The Senior Leadership Team champions our values, drives cultural change and makes sure we focus our efforts and resources in the right areas at the right time. The team also works to establish systems and processes so MBIE can perform effectively.

Our governance system, Mana Whakaruruhau, makes sure proper oversight occurs across our performance and delivery. Mana Whakaruruhau is also the system through which the organisational strategy, Te Ara Amiorangi, is advanced and monitored.

Managing risk is an important part of how we operate, and we integrate effective risk management into our culture, governance arrangements, business planning and decision making processes. Managing risk is the responsibility of everyone at MBIE, but we also have risk and assurance specialists to manage strategic and operational risks. Additionally, an external risk and advisory committee provides independent, objective advice on the framework and insights on risks and how MBIE is responding to these.

## Regulatory Systems

MBIE has stewardship or other responsibilities across 18 regulatory systems. They are:

- › Accident compensation
- › Building
- › Communication markets
- › Competition
- › Consumer and commercial
- › Corporate governance
- › Employment relations and standards
- › Energy markets
- › Financial markets conduct
- › Health and safety at work
- › Immigration
- › Intellectual property
- › Managed isolation and quarantine<sup>1</sup>
- › Outer space and high-altitude activities
- › Petroleum and minerals
- › Standards and conformance
- › Tenancy
- › Trade remedies.

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<sup>1</sup> Transitioning back to the health system 1 July 2023.

## Organisations We Monitor

We are responsible for monitoring 12 Crown entities. They are:

- › Callaghan Innovation
- › Commerce Commission
- › Commission for Financial Capability (headed by the Retirement Commissioner)
- › Energy Efficiency and Conservation Authority
- › External Reporting Board
- › Financial Markets Authority
- › New Zealand Electricity Authority
- › New Zealand Tourism Board
- › New Zealand Trade and Enterprise
- › International Accreditation New Zealand
- › Takeovers Panel
- › WorkSafe New Zealand.

We are responsible for monitoring seven Crown research institutes. They are:

- › AgResearch Ltd
- › Institute of Environmental Science and Research Ltd
- › Institute of Geological and Nuclear Sciences Ltd
- › Manaaki Whenua – Landcare Research New Zealand Ltd
- › National Institute of Water and Atmospheric Research Ltd
- › New Zealand Forest Research Institute Ltd
- › New Zealand Institute for Plant and Food Research Ltd.

We are also responsible for monitoring one Crown entity company, New Zealand Growth Capital Partners Ltd, and two Public Finance Act 1989 Schedule 4A companies, Crown Regional Holdings Ltd and Research and Education Advanced Network New Zealand Ltd.

MBIE supports ministers to make board appointments to Crown and other entities, including occupational licensing boards, tribunals, advisory boards, committees and panels, dispute resolution entities, trust boards and industry councils. MBIE provides policy advice to ministers, including on the appropriations for various entities, such as ACC and Crown Infrastructure Partners Ltd. Finally, we undertake limited monitoring of two incorporated societies that are not Crown entities: the Building Research Association of New Zealand and the Heavy Engineering Research Association.

# Ministerial Portfolios



## Economic Development

The strategic investment of a range of resources to create a productive, resilient, and sustainable economy for all New Zealanders.



## Regional Development

Working with industries, communities iwi and local government to manage and deliver investments tailored to build our regional economies.



## Small Business

Providing essential support, advice, and resources to empower small businesses to succeed in local and global markets.



## Commerce & Consumer Affairs

Enhancing the economy by protecting consumers and businesses through education and safe and competitive markets.



## Digital Economy & Communications

High performing, resilient and secure information and communication networks that connect and enable New Zealanders and businesses.



## Energy & Resource Markets

Meeting Aotearoa New Zealand's energy needs in a way that supports our way of life, the economy and the environment.



## Research, Science & Innovation

Using research to solve social, environmental and economic challenges, and translating this into new products, processes and services.



**Grow Aotearoa**

● = Vote Business, Science and Innovation

● = Vote Labour Market

MBIE has a diverse range of policy and service delivery responsibilities, with a significant influence on the economic success of Aotearoa New Zealand and the broader economic, social and environmental wellbeing of its people. We lead 13 portfolios across 3 Votes (seen below), we manage 18 regulatory systems and are responsible for over 115 acts.



### Tourism

Resetting and rebuilding tourism through a sustainable and regenerative model that delivers benefits to communities and the environment.



### Immigration

Delivering an immigration system that supports and balances wider social, economic, labour, diplomatic and security goals.



### Employment

Lifting the wellbeing and capability of businesses and labour force with advice, training, and a robust regulatory environment (as part of the Social Development and Employment portfolio).



### Workplace Relations & Safety

Protecting the health and wellbeing of employees through business support, resources and monitoring.



### ACC

Advice on the direction and performance of the national scheme for injury prevention, rehabilitation and compensation.



### Building & Construction

Well functioning housing and construction markets that support productivity, employment, health and social cohesion.



### Other

Other portfolios we support include Māori Development, Emergency Management, Housing (Tenancy), Auckland, Sports and Recreation, and Public Service.

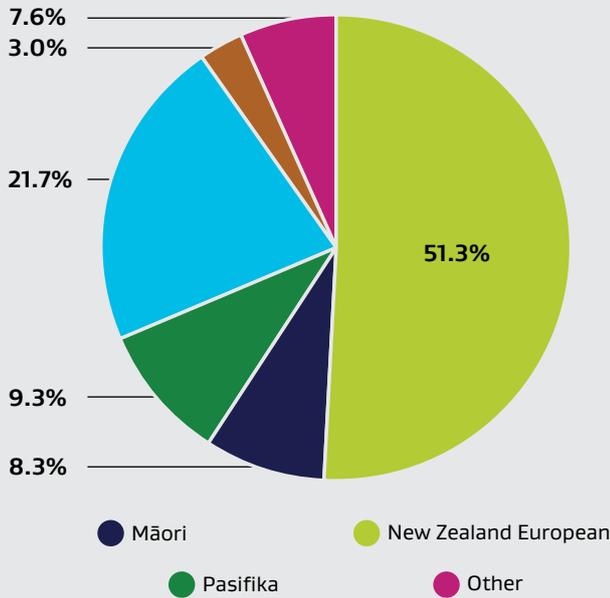


● = Vote Building and Construction

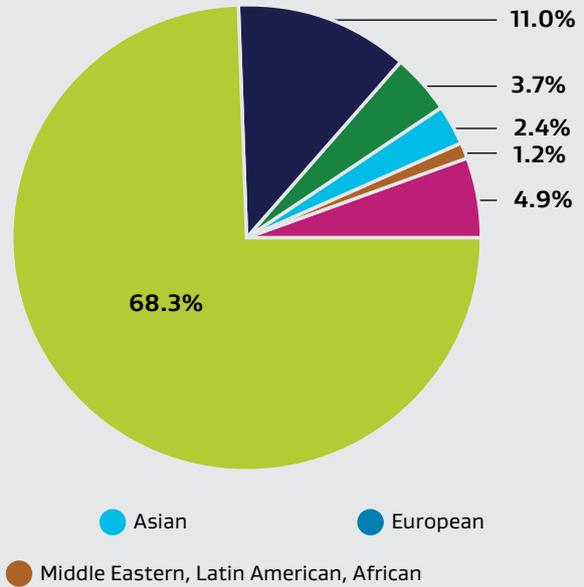
● = Other portfolios

# Our People

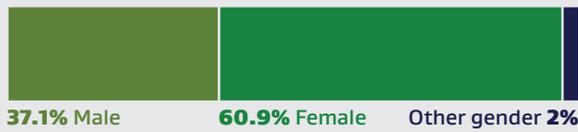
### Ethnicity of Our Workforce



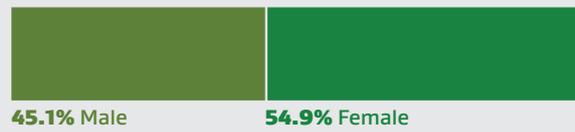
### Ethnicity of Our Leadership



### Gender of Our Workforce



### Gender of Our Leadership



**6,515\***  
PEOPLE  
WORKING  
AT MBIE



**2.1%**  
OF OUR PEOPLE HAVE  
DISCLOSED A DISABILITY



**14.4%**  
OF OUR PEOPLE HAVE WORKED  
AT MBIE FOR 10+ YEARS



**65%**  
OF OUR PEOPLE WORK IN  
SERVICE DELIVERY ROLES

Note: Employees are able to identify multiple ethnicities so the percentage total does not add up to 100%.  
\*Total headcount as at 30 June, 2023.

# Māori–Crown Relations

Effective and enduring relationships between iwi, other Māori groups and the Crown are critical to enable economic and social development, both for Māori and the wider population. Success is built on partnership, and we will continue to partner with Māori to find sustainable solutions to long standing systemic and cross cutting issues facing Aotearoa New Zealand.

## Whāinga Amorangi

Whāinga Amorangi is MBIE's plan to strengthen Māori–Crown relations by building internal capability. The ability to work in partnership with Māori needs to be enduring and consistent. We recognise our people are at various stages of their journey and will require differing levels of support to build their capability in Māori–Crown relations.

In the past 18 months, MBIE has focused on implementing Whāinga Amorangi. Phase one of the programme is built on leader led change and focuses on empowering our people by building individual capability.

Whāinga Amorangi includes four capability areas:

- › Te reo Māori.
- › Te Tiriti o Waitangi/The Treaty of Waitangi and Aotearoa New Zealand history.
- › Tikanga/customs and kawa/protocols.
- › Engagement with Māori.

For more information on our how we are progressing Whāinga Amorangi, see Appendix 8.

## Te Ara Reo Rangatira: Māori Language Strategy

Our te reo Māori competency area is supported by Te Ara Reo Rangatira. This strategy sets out MBIE's commitment to supporting the development and use of te reo Māori as a valued and living official language of Aotearoa New Zealand. Te Ara Reo Rangatira is part of our overarching Māori capability strategy, Whāinga Amorangi. The vision and purpose of 'kia māhorahora te reo' are that te reo Māori is used every day by everyone within MBIE.

The strategy incorporates three phases:

- › Phase one focuses on alignment to Whāinga Amorangi; building and strengthening Māori–Crown relations for all kaimahi.
- › Phase two focuses on weaving te reo into how MBIE operates.
- › Phase three focuses on making sure we are doing the basics well, providing opportunities for te reo Māori to be learnt, shared and enjoyed.

Te Ara Reo Rangatira is currently being reviewed for years 2023 to 2025.

# Diversity, Equity, and Inclusion

At MBIE, we value our people and strive to reflect the communities we serve. Our inclusion and diversity strategy, *Nō Konei–Belong*, focuses on having inclusion at the heart of our mahi, creating a sense of belonging and meeting public sector-wide diversity, inclusion and equity objectives.

An inclusive culture is essential, if we are to attract and retain diversity, and it makes sure multiple perspectives are included in policy advice and service design to help Grow Aotearoa New Zealand for All.

To understand the experiences of diverse population groups within MBIE, we have used human centred design principles through our People Experience hub. To date, we have engaged with our tangata whenua, Pasifika, Asian and Rainbow employees. We have also engaged with those who identify as being neurodivergent or having medical, physical or mental illnesses, disabilities, impairments, conditions or disorders, including caregivers and support people. This has helped us identify actions we can take to work towards a more inclusive, accessible and equitable MBIE. Building on the learnings from our People Experience hub, initiatives undertaken have included a

full review of our recruitment and career progression processes, to make sure our diverse communities have equitable outcomes.

Overall, as part of our commitment to equal employment opportunities, our programmes on diversity, equity and inclusion and Māori–Crown relations outline MBIE’s commitment to identifying and eliminating policies, procedures and other institutional barriers that cause or perpetuate inequality. In addition, we are committed to the Accessibility Charter and continue to make sure our public information is accessible. We assess our websites, to make sure they comply with the New Zealand Government Web Accessibility Standards, and to reasonably accommodate the needs of people with disabilities and supporting their health and wellbeing.





## Inclusion and Belonging Programme

Papa Pounamu, led through Te Kawa Mataaho – Public Service Commission, sets the diversity and inclusion work programme for the wider public service. The 5 priority areas, which shape MBIE's inclusion and belonging programme, focus on making the most positive impact across all diversity dimensions.

- › Te āheinga ā-ahurea, Cultural competence: we are aiming to reflect the significance of the Māori–Crown relationship and increase our cultural competency and confidence across the broadest range of cultures.
- › Te urupare I te mariu, Addressing bias: we are addressing bias towards identity markers, such as race, ethnicity, gender, sexual orientation and ability.
- › Hautūtanga ngākau tuwhera, Inclusive leadership: we are building inclusion and diversity capability across the system, starting with strong and inclusive leadership.

- › Te whakawhanaungatanga, Building relationships: we are building diverse and supportive relationships in our workplaces and drawing on these relationships to create positive change.
- › Ngā tūhononga e kōkiritia ana e ngā kaimahi, Employee led networks: we are creating a space so people can connect with others with shared experiences to support people to bring their authentic selves to work.

For more information about the inclusion and belonging work programme, see Appendix 8.



### **Kia Toipoto: Closing Gender, Māori, Pasifika, and Ethnic Pay Gaps**

MBIE's gender pay gap has reduced and is trending downwards, now sitting at 12.91% (from 20.2% in 2016). This has been achieved through:

- › Introduction of career and pay progression.
- › Continuing to remove bias in career and pay related processes.
- › Line-by-line pay reviews (like-for-like roles).
- › Tools to support pay decisions, including recruitment guidelines, pay restraint guidelines and a remuneration comparator tool have been introduced, to help people leaders make more informed decisions around pay and the implications for pay equity.

For more information about what we are doing to close the gender pay gap, see Appendix 8.

### **Skills Pledge**

MBIE signed up to the Government's Skills Pledge, which guarantees a commitment to doubling investment in reskilling and training hours by 2025. This investment includes introducing various face-to-face sessions and e-learning modules. During the year, 78,271 formal learning sessions were completed, comprising 17,655 face-to-face or virtual workshops and 60,616 e-learning modules completions. This equates to 129,192 formal learning hours. Altogether, this is an increase of 78% in formal learning hours since MBIE's commitment to the Skills Pledge, in 2020, and 22% more than last year.

# Wellbeing, Health, and Safety

Workplace wellbeing, health and safety continues to be a focus for MBIE. MBIE's online wellbeing hub, Te Puna Ora, offers practical information on managing wellbeing, along with access to support services to those within the organisation.

To create a workplace culture that prioritises wellbeing, health and safety, we make sure our people have ongoing engagement and learning opportunities. This year, we:

- › Conducted 29 webinars to help employees understand their own and their team member's wellbeing needs.
- › Trained 98 floor wardens, 58 first-aiders, and 102 wellbeing, health and safety representatives across the organisation.
- › Offered learning modules about safety and wellbeing to boost engagement, where 96% of people completed the staff safety and wellbeing module, 96% completed the security module, and 86% of leaders completed the leader's safety and wellbeing module.
- › Introduced the Wellbeing Health and Safety Representative training framework, which offers a pathway to the National Certificate in Workplace Health and Safety for interested representatives.

For more information about our wellbeing, health and safety work, see Appendix 8.



# Our Digital and Data Journey

MBIE's Digital, Data and Insights business group was formally established in February 2022. This realignment brought together existing functions, skills, knowledge and responsibilities to ensure better alignment and efficiency. The group is undertaking two significant strategic work programmes to modernise MBIE's digital capability and become a more mature data and evidence led organisation.

The Digital Blueprint Programme will leverage technology opportunities and transition MBIE's ICT environment to one that is fit for purpose for the increasingly digital world it operates in. The programme balances our ICT investment between stability and security of existing IT assets while meeting the challenges of the future in delivering new capability.

Our Empowered by Data Roadmap aims to progressively raise our data and insights maturity and make MBIE a data and evidence led organisation. These insights are used to support delivery of our services, as well as the development and monitoring of government policy. Data and insights provide evidence and the ability to measure outcomes while providing information and intelligence for decision making.

## Sustainability

MBIE's sustainability framework supports both the Government's commitment to having a carbon neutral public sector by 2025 and broader cultural, economic, environmental and social outcomes for the country in the transition to a low-emissions economy.

We have measured and reported on our operational emissions since 2018/19 and have set science aligned targets to reduce emissions by 25% by 2025 and 46% by 2030, compared with base year 2018/19. Our 2022/23 emissions are within our 2025 emissions reduction target trajectory, and have been achieved through the implementation of the following initiatives:

- › Prioritising and managing employee travel demand to meet our emissions reduction targets through budget alignment and real time reporting tools.
- › Embedding sustainability into our property and leasing strategies, prioritising energy and emissions efficiency in our office buildings, realising opportunities for decarbonisation and understanding the embodied and operational carbon of our construction projects through lifecycle assessments
- › Improving the operational efficiency of our fleet and transition 100% of light vehicles to electric or plug-in hybrid vehicles by 2025.
- › Identifying opportunities in our procurement processes to reduce operational emissions and improve sustainability reporting.
- › Partnering with the business to increase awareness and build capability in sustainability.

We are committed to understanding and addressing the actual and potential effects of climate change on our own operations, strategy and investments. Aligned with the External Reporting Board’s Aotearoa New Zealand Climate Standards, and the Task Force on Climate related Financial Disclosures framework, we are developing a regulatory system based approach to identifying, assessing, managing and reporting on the climate related risks and opportunities that MBIE is exposed to. We are piloting this approach with the building regulatory system and housing and tenancy regulatory system, to develop the methodology, implementation tools and guidance relevant to other regulatory systems and public sector organisations.

For more information about our sustainability work programme and Carbon Neutral Government Programme reporting, see Appendix 9.





# OUR PERFORMANCE ON OUR SERVICES & FUNCTIONS: OUTCOME & OUTPUT MEASURES 2022/23

This section of the report includes information on the performance for services delivered through the year that contributed to the achievement of our outcomes. This includes information on some services delivered by Crown entities where they were funded by multi-category appropriations (MCAs), multi-year appropriations (MYAs) and permanent legislative authorities (PLAs).

Performance information replicates wording as set out in our Strategic Intentions 2021-25, the 2022/23 Main Estimates and Supplementary Estimates across Votes Building and Construction; Business, Science and Innovation; and Labour Market.

Outcome indicators and output performance measures are different ways of assessing performance. Our outcome indicators represent movement towards our longer-term goals and are trend based. They need to be viewed over the long term (multiyear) and often reflect the efforts of many actors, including MBIE. They provide a view of whether the indicators are moving in the right direction. All outcome indicators are reported using the most up-to-date data available at the time of analysis. Our output performance measures assess whether we have achieved specific services or functions that collectively support the overall achievement of our outcomes.

# Disclosure of Judgements

## Reporting Entity

The Ministry of Business, Innovation and Employment (MBIE) is a New Zealand government department as defined by section 5 of the *Public Service Act 2020*. The relevant legislation governing the Ministry's operations includes the *Public Finance Act 1989*, *Public Service Act 2020*, and the *Public Accountability Act 1998*. MBIE's ultimate parent is the New Zealand Crown.

MBIE's primary objective is to provide services to the Government and the New Zealand public. MBIE does not operate to make a financial return and is a public benefit entity (PBE) for performance reporting purposes. The Performance Report covers all activities of MBIE as set out in the 2022/23 Main and Supplementary Estimates of Appropriations for Votes Building and Construction; Business, Science and Innovation; and Labour Market.

In the Performance Report, MBIE has reported against performance measure for both Departmental activities and activities performed on behalf of the Crown. Refer to pages 74 to 137.

The Performance Report for MBIE is for the year ended 30 June 2023. The Performance Report was authorised for issue by the Chief Executive of MBIE on 2 October 2023.

MBIE's performance measures are reported from pages 30-49 and pages 74-137. Additional information including Budget Significant Initiatives (pg 13), Our Year in Review (pg 15-27) and About Us (organisational capability) (pg 51-65) provide additional context to MBIE's performance for the year ended 30 June 2023.

## Statement of Compliance

The Performance Report has been prepared in accordance with Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period. The financial statements and service performance information have been prepared in accordance with PBE Standards and in accordance with Generally Accepted Accounting Practice (GAAP).

## Purpose and Strategic Outcomes

MBIE is a large and complex organisation whose work touches on the daily lives of all New Zealanders. We are the lead microeconomic agency. We work across over 19 ministerial portfolios, 3 Votes, 18 regulatory systems and are responsible for over 115 acts. We have over 190 appropriations and over 220 non-financial departmental performance measures.

MBIE's purpose is to Grow Aotearoa New Zealand for All. We grow opportunities (Puāwai), guard and protect (Kaihāpai) and innovate and navigate towards a better future (Auaha). This provides the context to the five Strategic Outcomes detailed below that help us work towards achieving this purpose.

Outcome One: Prosperous and adaptable people, sectors and regions.

Outcome Two: Skilled people engaged in safe and fulfilling work.

Outcome Three: Informed consumers and businesses interacting with confidence.

Outcome Four: Value sustainably derived from the natural environment.

Outcome Five: A dynamic business environment fostering innovation and international connections.

Outcomes are long-term in nature. Within each Outcome there are measures and associated indicators which measure MBIE's progress towards achieving the Outcome and allow progress to be reported to stakeholders.

MBIE delivers through policy, regulation and investment. We also provide direct services to the public such as immigration, employment relations services, public sector procurement and services to business, and emergency housing.

## Critical Reporting Judgements, Estimates and Assumptions

Performance measures have been selected for each of the activities which MBIE performs. In selecting performance measures for these activities, judgements must be made in determining which aspects of performance are relevant and material to users of the Performance Report.

There is also judgement involved in determining how to measure performance against the measures selected.

To disclose material judgements, MBIE has aggregated performance measures into the following subsets:

- › research
- › regional Investment
- › development of new initiatives
- › service delivery and customer satisfaction
- › policy advice and related services to ministers.

The judgements which have the most significant impact on selection and measurement are disclosed below.

### Research

MBIE administers the government's scientific research investments to meet New Zealand's economic, social and environmental goals. MBIE awards funding to applicants through a variety of investment processes and devolves funding to a variety of organisations to administer their investments. Where entities have been awarded funding, we monitor the progress of the funded projects to:

- › ensure government funding is being spent appropriately
- › support the delivery of science excellence and impact
- › inform future investments.

### How we measure progress:

#### Contract Monitoring Measures

MBIE manages a significant number of research contracts each year.

Contract monitoring performance measures have been selected as contract monitoring has a material impact on ensuring that funding is being used appropriately to generate the research it was granted for, which contributes to MBIE's strategic outcomes.

What MBIE monitors within each contract is dependent on the contract and work programme. Judgements are made for each contract about the elements that are relevant and material for monitoring. For example, progress on delivering the work programme, significant changes, and highlights. Key performance indicators are set at the contract level. Contract holders generally provide annual reporting, and these reports are assessed and may be moderated, depending on the type of science and research fund.

The targets for contract monitoring measures have been set mostly at 100% to ensure funds are provided to third parties with adequate accountability over their use.

### Regional Investment

The overarching purpose of Regional Investment funds is to improve the well-being of New Zealanders living in regional New Zealand. More information can be found on the following website: <https://www.growregions.govt.nz/>.

Kānoa is responsible for directly managing contracts as part of its role in administering the Crown's investment funds. This includes managing loan and equity contracts on behalf of Crown Regional Holdings Limited. The secondary role is administering and reporting on contracts directly managed by partner agencies.

## **How we measure progress:**

### **Contract Monitoring Measures**

As with Research activities, contract monitoring performance measures have been selected as contract monitoring has a material impact on ensuring that the other party to the contract delivers outputs which contribute to MBIE's strategic outcomes.

The targets for contract monitoring measures have been set at 100% to ensure funds are provided to third parties with adequate accountability over their use.

### **Service Delivery and Customer Satisfaction Measures**

MBIE has six performance measures on *'the satisfaction of the Crown Regional Holdings Limited Directors'* that supports the Ministry's role in managing loan and equity contracts on behalf of Crown Regional Holdings Limited (CRHL). There is a Management Agreement between MBIE and CRHL that sets out what services MBIE (through Kānoa) will provide.

This measure has been selected as MBIE is providing services to another entity. Therefore, the entity's satisfaction with services provided is a relevant and reliable measure of the quality of those services.

The survey measures the CRHL Directors' satisfaction with the Kānoa services and timeframes and provides them with a chance to provide feedback and to identify any improvement opportunities. The survey, run through MBIE's Survey Monkey account, ensures that the Kānoa is providing services at agreed levels and timeframes for Directors.

### **Development of New Initiatives**

MBIE establishes initiatives to deliver on its long-term outcomes and respond to government priorities. Initiatives typically go through a series of stages before a policy, legislation or service is delivered.

Timeliness of deliverables is a significantly material element of performance at the early stages of getting initiatives off the ground and operational.

The selection of measures is based on which phase of development the initiative is at. For startup and programme initiation stages, measures usually cover timeliness of specific deliverables that typically include the planning, development, and design stages of new initiatives.

### **Service Delivery (Customer Satisfaction)**

Customer satisfaction surveys are important instruments for understanding customers' experiences and expectations of the services that MBIE provides. Surveying service users can be critical for providing information for individual service enhancements and support accountability and improvement. Collectively, these surveys can also provide the basis for understanding how well MBIE engages with its operational stakeholders across the Ministry.

MBIE has implemented an organisation wide policy on client satisfaction surveys that would also ensure consistency with accountability documents such as the Statement of Intent (SOI).

#### **Survey measures**

Survey performance measures have been selected because they have a material impact on ensuring that the service being provided by MBIE meets customer standards. This measure allows the Ministry to measure indirectly the impact of the service we provide which contribute to MBIE's strategic outcomes.

MBIE's customer satisfaction survey guidelines outline the approach and principles for creating effective surveys. This includes instructions on how to properly design surveys, select participants, adhere to ethical standards, and handle data storage in accordance with industry best practices.

The survey questions are designed by each business group to cover the specific aspects of its service. In-house experts review the surveys to ensure that they meet best practice following MBIE's Client Satisfaction Surveys guidelines, i.e. questions are written in plain language and short sentences, are not leading questions and response options are balanced.

The frequency of each survey varies, depending on the extent of interaction, and the size of the customer base. Some are conducted more frequently (monthly or quarterly, rather than annually) to ensure a better and more considered response rate, as well as to provide continuous feedback and make improvements.

## **Policy Advice and Related Services to Ministers**

In keeping with the Department of the Prime Minister and Cabinet's (DPMC) Policy Quality Framework, MBIE measures progress towards delivering quality policy advice by applying the prescribed measures for quality of policy advice and Ministerial satisfaction that all government agencies with policy advice appropriations must apply. This includes a target score for the quality of policy advice using the Policy Quality Framework. More information on the Policy Quality Framework can be found at The Policy Project's Progress and performance section on DPMC's website.

Within the policy advice and related services to Ministers appropriations in MBIE's three Votes, MBIE also measures progress on the timeliness of services provided to Ministers.

### **Quality of policy advice measures**

In applying DPMC's Policy Quality Framework, MBIE made the judgement to establish its own assessment panels for reviewing the quality of its policy advice and to undertake assessment on a quarterly basis. Assessing quality of advice quarterly allows MBIE to assess how well new initiatives and practices are being used, and what difference they are making to the quality of advice. The process to assess the quality of MBIE's policy advice is known as Te Ara Poutama and includes assessing a random sample of papers using seven panels covering MBIE's policy areas.

MBIE randomly samples policy papers in each portfolio for review, ensuring at least a minimum sample size, currently 15%, is obtained. Papers are assessed by one of seven panels against MBIE's quality criteria for policy advice; these criteria are derived from the DPMC Policy Quality Framework.

Te Ara Poutama results are moderated each quarter. Each assessment panel submits a paper to a moderation panel consisting of Policy Directors from across MBIE. A fresh assessment of each paper is completed by the panel for quality control. The Te Ara Poutama process also includes a selection of papers being externally reviewed annually, to ensure MBIE panel scoring is consistent with other reviews of quality of policy advice standards.

### **Ministerial satisfaction measures**

MBIE also provides a six-monthly progress report to Ministers on progress against the Government's priorities, other relevant work done by MBIE within the specific portfolio. Alongside the six-monthly report, a satisfaction survey is provided to the Portfolio Lead Ministers in relation to advice received.

MBIE does not conduct the Ministerial Policy Satisfaction Survey for Ministers who have been in their role for less than 4 months. Survey results may be reported based on data collected from a six-monthly survey, this information is disclosed in the relevant performance measure footnote.

MBIE surveys the primary Ministers of the policy areas that MBIE has a Policy Advice and Related Services to Ministers appropriation category for in the Estimates of Appropriations. MBIE does not survey on a regular basis other portfolio Ministers that are also recipients of MBIE's policy advice including Associate Ministers, or Parliamentary Under-Secretaries.

The Ministerial Policy Satisfaction Survey contains a common set of questions as instructed by DPMC<sup>1</sup>. The Survey asks each Minister to answer 21 questions about general satisfaction, quality of policy advice, and overall performance using 1-5 Likert scales<sup>2</sup>, as well as three free-text questions about satisfaction.

### **Percentage of requests completed within either specified or statutory timeframes measures**

As the timeliness of statutory requests is important to MBIE's role supporting responsible Ministers, MBIE measures the percentage of types of correspondence sent in the relevant financial year that were delivered to Ministers' offices within an agreed deadline.

These performance measures are stated as '*percentage of requests completed within either specified or statutory timeframes*' covering responses to ministerial correspondence, written parliamentary questions and *Ministerial Official Information Act 1982* requests; and '*Ministers receive advice on entities' accountability documents within statutory timeframes*' in relation to Crown entities' statutory documents.

MBIE has selected this measure based on the need to support wider Government processes and fulfil MBIE's responsibilities to its Ministers (part of this includes delivering responses on a timely basis).

The timeframes for all categories are agreed with each Minister's office.

### **Performance Measures Footnotes**

MBIE includes footnotes for some non-financial performance measures where they provide meaningful additional information.

MBIE sets targets for performance based on historical performance where appropriate to encourage continued improvements, as well as on what MBIE expects to deliver and to the expected level. As such, future performance will differ from budgeted performance.

The following criteria were applied to ensure MBIE discloses the most relevant and useful information including performance measures where performance results are:

- › materially different from the target
- › derived from surveys
- › of public interest

Or, where there have been:

- › major variances between the current and prior year results
- › material changes in performance measures and targets for an appropriation.<sup>3</sup>

## **Our Services and Functions, Outcome and Output Measures 2022/23**

Outcome and output measures and statement of budgeted and actual expenses and capital expenditure incurred.

This section of the report includes information on the performance for services delivered through the year that contributed to the achievement of our outcomes. This includes information on some services delivered by Crown entities where they were funded by multi-category appropriations (MCAs), multi-year appropriations (MYAs) and permanent legislative authorities (PLAs).

Performance information replicates wording as set out in the 2022/23 Main Estimates and Supplementary Estimates across Votes Building and Construction; Business, Science and Innovation; and Labour Market.

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<sup>1</sup> <https://www.dPMC.govt.nz/sites/default/files/2022-07/guide-ministerial-policy-satisfaction-survey.pdf>

<sup>2</sup> a 5-point Likert scale asks customers to specify their levels of agreement with a statement, from high (5) to low (1) with one neutral option in the middle.

<sup>3</sup> Detail information on changes to performance measures and targets can be found in the 2022/23 Supplementary Estimates documents across Votes Building and Construction; Business, Science and Innovation; and Labour Market.

## Reconciliation to Outcomes

Actual 2022 \$000		Page reference	Actual 2023 \$000
<b>Departmental operating expenditure</b>			
262,605	Outcome 1: Prosperous and Adaptable People, Sectors, and Regions	Page 81	93,497
570,364	Outcome 2: Skilled People Engaged in Safe and Fulfilling Work	Page 96	611,470
272,337	Outcome 3: Informed Consumers and Businesses Interacting with Confidence	Page 108	303,224
30,987	Outcome 4: Value Sustainably Derived from The Natural Environment	Page 118	41,193
123,383	Outcome 5: A Dynamic Business Environment Fostering Innovation and International Connections	Page 129	148,308
1,259,676	Total Departmental Operating Expenditure per Outcome tables		1,197,692
<b>Other reconciling items</b>			
1,356	Remeasurements for other operating expenses		88
1,261,032	<b>Total expenditure in Statement of Comprehensive Revenue and Expense</b>	Page 151	1,197,780

This table above is required as per PBE FRS 48.

# Outcome 1: Prosperous and Adaptable People, Sectors and Regions

## Overview

Expenditure	Core responsibilities	In-Year Initiatives	Our Outcomes*	Performance Measures
<b>Departmental</b> \$93 million  <b>Non-Departmental</b> \$767 million  <b>Streams</b> > Economic and regional development > Tourism > Temporary accommodation > Managed Isolation & Quarantine  <b>Agencies</b> > Tourism NZ	> Regional and economic investment projects > Industry transformation plans > Tourism facilities and infrastructure > Responding in times of emergency or disaster > Isolation and quarantine services	> Regional investment > Māori Economic Development > Business development coaching > Major events support > Industry transformation plans > Accommodating people affected by flooding and cyclone	+ Household income + Labour productivity + Income inequality	<b>Achieved</b> 55/58  Milestones    33/33 Quality        2/2 Satisfaction    9/10 Timeliness     9/9 Volume         2/4

\*Key: + Positive shift – Negative shift = Unchanged

## Outcome Measures

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
1.01	Increase household incomes	Total real household median weekly income from all sources, by region	Stats NZ (SNZ) Labour Market Statistics (income) & SNZ Consumer Price Index	\$	Positive
	<p>Total real household median income (from all sources, based on June 2012 prices) was \$1,710 per week in the year to June 2023. This is an increase of \$58 compared to 2022 (3.5% growth). Over the past four years real median income has grown on average 1.3% per year.</p> <p>Regions with the highest annual growth rates in total real household median income in the year to June 2023 (from all sources, based on June 2012 prices) were Gisborne/ Hawke's Bay (9.5%), Otago (8.8%), Canterbury (7.3%), Wellington (7.2%), and Manawatu-Whanganui (6.3%). Northland (-8.0%), Bay of Plenty (-1.7%) and Southland (-1.1%) had negative growth rates in the year to June 2023.</p>				
1.02	Increase labour productivity	Labour productivity growth	SNZ Productivity Statistics	%	Positive
	<p>Annual labour productivity growth in the measured sector (covering around 80% of the total industry contribution to national GDP) was 2.2% in the year to March 2022, following a year of zero growth in the year to March 2021 (revised figure)<sup>1</sup>. The five-year (2017–2022) compound annual growth rate was 0.9%.</p>				
1.03	Decrease income inequality	Percentile ratio (P80:20) of household income after housing costs for all households	SNZ Household income and housing-cost statistics	percentile ratio	Positive
	<p>In the year to June 2022, income of the top 20% of households was at least 2.9 times greater than that of the lowest 20% (after adjusting for housing costs for all households). The June 2022 result is equal to the 2021 result of 2.9 times greater, and is a decrease from the 2018 result of 3.2.</p> <p>P80:20 is the ratio of the incomes of the household at the 80th percentile to the household at the 20th percentile.</p>				

<sup>1</sup> This figure has been revised down from 0.7%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.



Achieved 55 out of 58 output performance targets

## Output Measures

Vote Building and Construction		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Isolation and Quarantine Management MCA</b> This appropriation is intended to achieve entry of people into New Zealand, while minimising the risk of community transmission of imported cases of COVID-19.	Ratio of transmissions of COVID-19 to the community from MIQ facilities per 10,000 returnees	<1 case of transmission per 10,000 returnees	Not reported <sup>2</sup>	0.1 cases per 10,000 returnees
<b>Operational Support</b> This category is intended to achieve operational leadership and departmental support necessary for the efficient, effective and safe delivery of MIQ services.	Debt recovery: Percentage of debt recovered against invoices raised	90%	89.8%	82%
<b>Delivery of Services</b> This category is intended to achieve accommodation and necessary related services, including pastoral care, for people entering New Zealand for the duration of their mandatory isolation and/or quarantine.	Future design readiness and legacy planning: Development of future readiness and legacy plans as MIQ decommissions	Achieved	Achieved <sup>3</sup>	New Measure for 2022/23
<b>Temporary Accommodation Services MCA</b> This appropriation is intended to achieve coordination and provision of temporary accommodation to people displaced by a civil emergency.	Percentage of users who were satisfied with overall effectiveness of the service (from Survey)	75%	88% <sup>4</sup>	92%
<b>Readiness, Response and Recovery</b> This category is intended to achieve fulfilment of MBIE's fundamental temporary accommodation responsibilities and roles.	Percentage of users of the service contacted within 5 working days of registration	75%	87% <sup>5</sup>	New Measure for 2022/23
<b>Temporary Accommodation Housing Initiatives – Operations</b> This category is intended to provide a broad range of flexible temporary accommodation options.	Percentage of users who were satisfied with effectiveness of the service to resolve temporary accommodation needs	75%	88% <sup>4</sup>	New Measure for 2022/23
<b>Temporary Accommodation Housing Initiatives – Capital</b> This category is intended to increase housing supply levels in emergency affected areas.	Percentage of users who were satisfied with effectiveness of the service to resolve temporary accommodation needs	75%	88% <sup>4</sup>	New Measure for 2022/23

<sup>2</sup> This performance result is not reported. Last returnees exited facilities in June 2022. MIQ was completely decommissioned in August 2022.

<sup>3</sup> The measure reflects changes in the requirement to deliver border services and the need for MIQ, as it decommissions, to prepare and design a future readiness plan should a border response, requiring quarantine and isolation capability, be required in the future. This measure assessed the completion of the MIQ Readiness programme by its projected date of completion, across the 3 phases of the programme. Future funding for the maintenance of readiness and legacy plans has now been transferred and will be managed by Vote Health from 1 July 2023.

<sup>4</sup> Survey Monkey was used to collect results. Surveys are sent to all households who have been placed into temporary accommodation services (TAS). Sample sizes can vary depending on the number of households utilising TAS. TAS surveys all customers, therefore a specific sample size is not required as customer numbers are unique to each event and TAS response. The survey is not compulsory and response rate is low.

<sup>5</sup> This measure identifies whether TAS contacted households in a timely way to assess their accommodation eligibility and needs.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Economic and Regional Development: Economic and Regional Development Fund, Scheme and Grant Management</b> This appropriation is intended to achieve efficient and effective administration of the Events Transition Support Payment Scheme.	The Events Transition Support Payment Scheme is administered in accordance with the Cabinet criteria and other requirements	100%	100%	Achieved
<b>Economic and Regional Development: Operational support</b> This appropriation is intended to achieve the effective management, administration and reporting on the funds administered by Kānoa – Regional Economic Development & Investment Unit.	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	New Measure for 2022/23
	The number of monthly reports to Crown Infrastructure Partners on Regional Economic Development & Investment Unit managed infrastructure projects	12	12	New Measure for 2022/23
<b>Economic and Regional Development: Operational Support of the Regional Business Partner Network</b> This appropriation is intended to achieve increased business and management capability that improves individual firm and wider business performance.	Number of businesses accessing support to improve individual firms and wider business performance	5,000	5,111	5,263
<b>Pike River Re-entry: Disestablishment of Pike River Recovery Agency</b> This appropriation is intended to achieve the completion of all activities relating to the disestablishment of the former Pike River Recovery Agency.	Completion of the Pike River Recovery Annual Report and Final Report for the financial year ending with 30 June 2022	By 30 September 2022	Achieved	New Measure for 2022/23
	Complete all activities relating to the disestablishment of the former Pike River Recovery Agency	By 31 December 2022	Achieved	New Measure for 2022/23
<b>Tourism: Tourism Fund Management</b> This appropriation is intended to achieve efficient and effective management of the investments under Tourism portfolio.	All funds are managed in accordance with processes agreed by Cabinet	Achieved	Achieved	Achieved
	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<b>Extreme Weather Events – Auckland and Coromandel Advisory Groups</b> This appropriation is intended to provide support to the advisory groups in Auckland and Coromandel to address and prepare for future North Island weather events.	Percentage of requests completed within either specified or statutory timeframes for the advisory groups in Auckland and Coromandel in regards to North Island weather events	95%	100%	New Measure for 2022/23
<b>Regional Development: Payments and Expenses in Respect of Guarantees and Indemnities for North Island Weather Events response PLA</b> This appropriation is intended to achieve the provision of funding for any expenditure incurred as a result of any guarantees and indemnities for North Island Weather events.	The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes	Average score of 4 out of 5 or better	4.5	New Measure for 2022/23
<b>Research, Science and Innovation: North Island Weather Events – Plant and Food Research Limited Response and Recovery</b> This appropriation intends to ensure Plant & Food Research Limited can, for the 2022/23 and 2023/24 financial years: adequately respond to the financial impacts of the North Island Weather Events, continue to run its business, maintain its critical capability and continue to support the sector and government agencies in the cyclone response and recovery, significant increases in debt, and continue to invest in critical capital expenditure.	Continued delivery of research, science and innovation work	Achieved	Achieved	New Measure for 2022/23

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Economic and Regional Development: Industry Transformation Plans MCA</b> The appropriation is intended to achieve the development and delivery of Industry Transformation Plans and related actions, in alignment to the Government's Economic Plan and Industry Strategy.	Progress the implementation of workstreams and initiatives from agreed industry plans	Achieved	Achieved	New Measure for 2022/23
<i>Development, Delivery, and Management of Industry Transformation Plans</i> This category is intended to achieve the support of development, delivery, and management of Industry Transformation Plans.	Launch the final plans for the Advanced Manufacturing ITP, Digital Technologies ITP, and Tourism ITP Better Work Action Plan, and undertake public consultation on the refreshed Agritech ITP by 30 June 2023	Achieved	Achieved	New Measure for 2022/23
	Develop a programme-level monitoring and evaluation performance framework for the Industry Transformation Plan programme by 30 June 2024	In progress	In progress	New Measure for 2022/23
<i>Development, Delivery, and Management of Industry Transformation Plans by Partners</i> This category is intended to achieve fund partners' delivery of agreed Industry Transformation Plan actions, and support industry and Māori engagement in the development and delivery of Industry Transformation Plans.	Progress the implementation of workstreams and initiatives from agreed industry plans	Achieved	Achieved	New Measure for 2022/23
	Progress development of a decision-making framework for third-parties to implement Construction Sector Accord initiatives	Achieved	Achieved	New Measure for 2022/23
	Progress third-party implementation of Construction Sector Accord initiatives, including through industry and agency partners by 30 June 2024	In progress	In progress	New Measure for 2022/23
<b>Economic and Regional Development: Infrastructure Reference Group Fund MCA</b> This appropriation is intended to achieve the support of regional economic development by providing operational and capital funding for infrastructure initiatives that lift regional productivity potential.	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	New Measure for 2022/23
<i>Grants to support Infrastructure Projects</i> This category is intended to achieve the support of regional economic development by providing grant funding for infrastructure initiatives that lift regional productivity potential.	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	New Measure for 2022/23
	The number of monthly reports to Crown Infrastructure partners on Regional Economic Development & Investment Unit managed infrastructure projects	12	12	New Measure for 2022/23
<i>Investment through Crown-owned companies</i> This category is intended to achieve the holding of the Crown's infrastructure-related investments by Crown Regional Holdings Limited. The purpose of the investments is to reduce the economic impact of the COVID-19 on the construction industry.	The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	Average score of 4 out of 5 or better	4.5	New Measure for 2022/23
<b>Economic and Regional Development: Provincial Growth Fund MCA</b> This appropriation is intended to achieve a lift in the productivity potential of the regions through the delivery of regional, sectoral and infrastructure initiatives.	Number of reports to the Cabinet Economic Development Committee on progressions with the fund per year	4	4	4
	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95%	100%	96%
	Ministerial Official Information Act 1982 requests	95%	100%	67%
Parliamentary questions	95%	100%	99%	

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Management of Investments in Crown-owned companies</i></p> <p>This category is intended to achieve the effective delivery and management of the funds administered by Crown Regional Holdings Limited.</p>	The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	Average score of 4 out of 5 or better	4.5	New Measure for 2022/23
<p><i>Provincial Growth Fund Investment Management – Crown Regional Holdings Limited</i></p> <p>This category is intended to achieve the effective delivery and management of Provincial Growth Fund investments by entities, including Crown Regional Holdings Limited (CRHL) and the Provincial Growth Fund (PGFL) and their subsidiaries.</p>	The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	Average score of 4 out of 5 or better	4.5	4.3
<p><i>Supporting Regional and Sector Initiatives</i></p> <p>This category is intended to achieve the support of regional economic development by providing grant funding to regional, sectoral and infrastructure initiatives that lift regional productivity potential.</p>	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	100%
<p><b>Economic and Regional Development: Regional Strategic Partnership Fund MCA</b></p> <p>This appropriation is intended to achieve improved regional economic and business development, accelerate Māori economic aspirations and support sector transformations.</p>	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	100%
<p><i>Grants to Support Regional and Sector Initiatives</i></p> <p>This category is intended to achieve strong regional strategic partnerships within each region, progress regional economic development action plans and identify regional priorities. The category will hold grant funding for regions to invest in identified regional priorities.</p>	Percentage of contracts monitored against their milestones and reporting requirements	100%	100%	100%
<p><i>Investment through Crown-owned companies</i></p> <p>This category is intended to achieve the holding of the Crown's regional strategic partnership fund investments by Crown Regional Holdings Limited. The purpose of the investments is to improve regional economic and business development, accelerate Māori economic aspirations and support sector transformations.</p>	The satisfaction of the Crown Regional Holdings Limited Directors with agreed service levels and timeframes, on a scale of 1 to 5	Average score of 4 out of 5 or better	4.5	4.3
<p><i>Supporting regionally significant firms impacted by Cyclone Gabrielle</i></p> <p>This category is limited to providing loans to support regionally significant firms impacted by Cyclone Gabrielle from the Regional Strategic Partnership Fund.</p>	All regionally significant firms approved for funding by Regional Economic Development Minister's in the 2022/23 financial year are contracted by 30 June 2023	Achieved	Achieved <sup>6</sup>	New Measure 22/23
<p><b>Policy Advice and Related Services to Ministers MCA (Business, Science and Innovation)</b></p> <p>This appropriation is intended to achieve effective policy advice and support to Ministers.</p>	Average satisfaction of Ministers annually	Average score of 4 out of 5 or better	4.4	4.5

<sup>6</sup> This measure was developed to provide financial support to regional firms significantly impacted by Cyclone Gabrielle from the Regional Strategic Partnership Fund for 2022/23 only.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Policy Advice and Related Services to Ministers – Tourism</i></p> <p>This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.</p>	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	74%	73%
	The satisfaction of the Minister of Tourism with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.3 <sup>7</sup>	4.4
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	99%	96%
	Ministerial Official Information Act 1982 requests	95% or above	100%	90%
	Parliamentary questions	95% or above	97%	97%
<p><b>Sector Analysis and Facilitation MCA</b></p> <p>This appropriation is intended to achieve the generation of more trust and confidence in markets, allow business to assess and develop markets with ease, and increase international trade and investment.</p>	Increased access and use of data	Achieved	Achieved	Achieved
<p><i>Sectoral and Regional Data and Analysis – Economic Development</i></p> <p>This category is intended to achieve the generation of more trust and confidence in markets, allow business to assess and develop markets with ease, and increase international trade and investment.</p>	Number of page views and screen views of regional and sector data pages, web-apps and mobile-apps	200,000	264,185 <sup>8</sup>	249,350
<p><i>Tourism Data and Analysis – Tourism</i></p> <p>This category is intended to achieve knowledge and understanding that enables businesses to assess and develop markets with ease and increases international trade and investment.</p>	Meet Statistics New Zealand's Official Statistics Standards and Protocols for all core Tourism datasets published by the Ministry of Business, Innovation and Employment	Achieved	Achieved	Achieved
	Deliver on agreed tourism data improvement programme	Achieved	Achieved	Achieved
<p><b>Tourism Facilities MCA</b></p> <p>This appropriation is intended to achieve reliable, sustainable and high quality tourism facilities and infrastructure that attract tourists to a region or New Zealand.</p>	Tourism facilities and infrastructure is improved or maintained	Achieved	Achieved	Achieved
<p><i>Tourism Growth Partnership</i></p> <p>This category is intended to achieve the increased provision of facilities, infrastructure and services in the tourism sector.</p>	Percentage of contracts assessed against their objectives and critical steps in line with contract requirements	100%	100%	New Measure for 2022/23

7 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from January to June 2023. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

8 This measure is demand driven. The year-end result has exceeded the initial performance standard by 32%. This was driven by the Tourism data webpages that exceeded their target by about 35,000 page/screen views.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Ngā Haerenga, The New Zealand Cycle Trail Fund</i></p> <p>This category is intended to achieve the success and long-term sustainability of the Ngā Haerenga, the New Zealand Cycle Trail Network.</p>	Funding is distributed to Great Rides for cycle trail priority projects, improvements, repairs or extensions, in line with any investment plan	Achieved	Achieved	Achieved
	Funding agreements are monitored and assessed in line with contractual requirements	100%	100%	100%
<p><i>Tourism Facilities Development Grants</i></p> <p>This category is intended to achieve an improvement in the quality and reliability of tourism facilities and services.</p>	Tourism facilities and infrastructure is improved or maintained	Achieved	Achieved	Achieved

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><b>Employment – Regional Skills Leadership Groups</b></p> <p>This appropriation is intended to achieve more coordinated skills and workforce planning in regional labour markets to improve regional skill levels, local workforce utilisation and overall labour market outcomes.</p>	Each region publishes at least one report within the year that sets out on-the-ground labour market information that is not currently collected systematically by central government	100% of regions publish a report	100% of regions published a report	100% of regions published a report
	Each Regional Skills Leadership Group produces an annual workforce development plan	100% of regions publish a plan	100% of regions published a plan	93% of regions published a plan

## How Much We Spent

Actual 2021/22 \$000	Our expenditure summary	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
262,605	Departmental expenses	93,497	119,963	303,851
1,292,353	Non-departmental expenses	576,918	953,890	737,352
	– Departmental capital	–	–	–
23,822	Non-departmental capital	190,116	371,976	135,005
<b>1,578,780</b>	<b>Total expenditure for outcome</b>	<b>860,531</b>	<b>1,445,829</b>	<b>1,176,208</b>

## Our Services and Functions, Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Departmental outputs</b>					
3,005	Economic and Regional Development: Operational support for Grants and Crown investments – MYA		–	–	–
2,217	Economic and Regional Development: Operational Support of the Regional Business Partner Network		3,276	3,935	3,300
409	Economic and Regional Development: Economic and Regional Development Fund, Scheme and Grant Management		289	1,591	–
1,576	Economic and Regional Development: Tourism Investment		–	–	–
	– Economic and Regional Development: Operational Support		26,623	29,171	28,006
484	Tourism: Tourism Fund Management		809	1,078	793
2,706	Border Support Services – MYA	1	6,359	7,645	11,200
49	Employment – Administration of the He Poutama Rangatahi Programme		–	–	–
12,412	Employment – Regional Skills Leadership Groups		11,115	11,653	11,500
<b>22,858</b>	<b>Total departmental output expenditure</b>		<b>48,471</b>	<b>55,073</b>	<b>54,799</b>
<b>Multi-category expenses and capital expenditure</b>					
<b>787,198</b>	<b>Isolation and Quarantine Management MCA</b>		<b>23,558</b>	<b>33,314</b>	<b>282,471</b>
<i>Departmental output expenses</i>					
198,069	› Operational Support		18,157	21,822	235,002
<i>Non-departmental output expenses</i>					
563,278	› Delivery of Services		5,400	5,492	40,469
<i>Non-departmental other expenses</i>					
10,804	› Managed Isolation and Quarantine Loans – Impairment of Debt	2	1	5,000	5,000
	– › Managed Isolation and Quarantine Loans – Fair Value Write-down		–	1,000	1,000
<i>Non-departmental capital expenditure</i>					
15,047	› Managed Isolation and Quarantine Loans		–	–	1,000
<b>10,844</b>	<b>Temporary Accommodation Services MCA</b>		<b>65,349</b>	<b>168,443</b>	<b>6,126</b>
<i>Departmental output expenses</i>					
1,947	› Readiness, Response and Recovery		9,426	19,335	2,343
<i>Non-departmental output expenses</i>					
4,714	› Temporary Accommodation Housing Initiatives – Operations	3	47,898	131,858	1,775

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
	<i>Non-departmental other expenses</i>				
308	› Temporary Accommodation Housing Initiatives – Depreciation	3	874	1,058	1,058
	<i>Non-departmental capital expenditure</i>				
3,875	› Temporary Accommodation Housing Initiatives – Capital	3	7,151	16,192	950
<b>8,789</b>	<b>Policy Advice and Related Services to Ministers MCA</b>		<b>8,167</b>	<b>5,362</b>	<b>5,044</b>
	<i>Departmental output expenses</i>				
8,789	› Policy Advice and Related Services to Ministers – Tourism		8,167	5,362	5,044
	– <b>Economic and Regional Development: Industry Transformation Plans MCA</b>		<b>7,793</b>	<b>31,894</b>	–
	<i>Departmental output expenses</i>				
	– › Development, Delivery, and Management of Industry Transformation Plans		3,202	11,545	–
	<i>Non-departmental output expenses</i>				
	– › Development, Delivery, and Management of Industry Transformation Plans by Partners		4,591	20,349	–
	– <b>Economic and Regional Development: Infrastructure Reference Group Fund MCA</b>		<b>70,518</b>	<b>135,868</b>	–
	<i>Non-departmental other expenses</i>				
	– › Grants to support Infrastructure Projects		48,505	113,855	–
	<i>Non-departmental capital expenditure</i>				
	– › Investment through Crown-owned companies		22,013	22,013	–
	– <b>Economic and Regional Development: Regional Investment Opportunities MCA</b>	4	<b>18,452</b>	<b>18,452</b>	–
	<i>Non-departmental capital expenditure</i>				
	– › Investment in Infrastructure		–	10	–
	– › Investment through Crown-owned Companies	4	18,452	18,442	–
<b>197,929</b>	<b>Economic and Regional Development: Provincial Growth Fund MCA</b>		<b>132,059</b>	<b>246,854</b>	<b>142,000</b>
	<i>Departmental output expenses</i>				
24,406	› Operational Support of Regional and Sector Investments		–	–	–
	<i>Non-departmental output expenses</i>				
	– › Management of Investments in Crown-owned companies		1,909	1,909	–
2,200	› Provincial Growth Fund Investment Management – Crown Regional Holdings Limited		1,909	1,909	2,000
	<i>Non-departmental other expenses</i>				
	– › Grants to support regional and sector initiatives		41,738	106,533	–
171,323	› Supporting Regional and Sector Initiatives		59,184	59,184	140,000
	<i>Non-departmental capital expenditure</i>				
	– › Investment through Crown-owned companies		27,319	77,319	–
	– <b>Economic and Regional Development: Regional Strategic Partnership Fund MCA</b>		<b>62,961</b>	<b>185,000</b>	<b>165,000</b>
	<i>Non-departmental other expenses</i>				
	– › Grants to support regional and sector initiatives		780	25,000	–
	– › Supporting Regional Strategic Partnerships Initiatives		–	–	31,945

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
	<i>Non-departmental capital expenditure</i>				
	– › Investing into Capital Projects		–	–	133,055
	– › Investment through Crown-owned companies		42,181	140,000	–
	– › Supporting regionally significant firms impacted by Cyclone Gabrielle		20,000	20,000	–
	– <b>Economic and Regional Development: Strategic Tourism Assets Protection Programme MCA</b>	5	<b>53,000</b>	<b>53,000</b>	–
	<i>Non-departmental capital expenditure</i>				
	– › Investments through Crown-owned Companies	5	53,000	52,990	–
	– › Tourism Investments		–	10	–
<b>6,536</b>	<b>Sector Analysis and Facilitation MCA</b>		<b>6,074</b>	<b>6,826</b>	<b>6,663</b>
	<i>Departmental output expenses</i>				
	– › Sectoral and regional data and analysis – Economic Development		2,912	3,573	3,480
6,536	› Tourism Data and Analysis – Tourism		3,162	3,253	3,183
<b>12,826</b>	<b>Tourism Facilities MCA</b>		<b>9,759</b>	<b>22,850</b>	<b>32,267</b>
	<i>Non-departmental output expenses</i>				
	– › Tourism Growth Partnership		–	–	8,000
	<i>Non-departmental other expenses</i>				
12,826	› National Cycleway Fund – Development and Extension of Ngā Haerenga, The New Zealand Cycle Trail		–	–	–
	– › Ngā Haerenga, The New Zealand Cycle Trail Fund		5,665	17,850	16,000
	– › Tourism Facilities Development Grants		4,094	5,000	8,267
<b>1,024,122</b>	<b>Total multi-category expenses and capital expenditure</b>		<b>457,690</b>	<b>907,863</b>	<b>639,571</b>
<b>1,046,980</b>	<b>Total expenditure</b>		<b>506,161</b>	<b>962,936</b>	<b>694,370</b>

## Our Services, Non-Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Non-departmental output expenses</b>					
24,985	Tourism: COVID-19 Tourism Response	3	261	2,200	54,226
1,583	Economic Development: Assistance with Hosting of the 36th America's Cup (2018–2022) – MYA		–	–	–
8,249	Economic Development: Industry Transformation Plans	5	5,500	5,500	21,923
624	Economic Development: Pacific Business Trust Procurement Support Service	6	2,352	2,501	1,250
1,747	Economic Development: Supporting Just Transitions		3,234	3,253	2,500
1,974	Energy and Resources: Assisting Households in Energy Hardship	3	1,740	2,586	2,070
101,450	Tourism: Marketing New Zealand as a Visitor Destination	7	110,522	111,450	111,950
–	– Tourism: Regional Events Fund	5	14,200	14,200	14,120
59,315	Transitional provision of mail services by New Zealand Post (2020–2024) – MYA	8	37,357	37,357	40,672
<b>199,927</b>	<b>Total non-departmental output expenses</b>		<b>175,166</b>	<b>179,047</b>	<b>248,711</b>
<b>Non-departmental other expenses</b>					
–	– Communications: Centre of Digital Excellence (CODE) Regional Hubs	3	1,000	1,000	–
–	– Cyclone Gabrielle – Business support for the impacts of Cyclone Gabrielle and January 2023 weather events	6	64,946	75,000	–
40,850	Economic and Regional Development: COVID-19 Events Transition Support Payment	6	3,749	22,000	–
–	– Economic and Regional Development: Fair Value Write Down on capital investments		–	5,000	–
25,500	Economic and Regional Development: Reactivating Tāmaki Makaurau Auckland Package		–	–	–
174,301	Economic and Regional Development: Supporting Infrastructure Projects (2020–2025) – MYA	9	67,166	67,166	150,000
200	Economic and Regional Development: Wellington Business Relief Fund		–	–	–
966	Economic Development: Depreciation on Auckland's Queens Wharf	2	916	985	985
2,131	Economic Development: Future-proofing New Zealand's Manufacturing Sector by Driving Industry 4.0 Uptake and Skills Development	3	1,003	1,003	1,003
7,486	Economic Development: Major Events Development Fund (2017–2022) – MYA		–	–	–
–	– Economic and Regional Development: Major Events Development Fund 2022–2027 – MYA	9	6,226	14,686	6,700
802	Economic Development: New Zealand Events Support		–	–	–
884	Impairment of Debt and Debt Write Offs	3	1,923	4,425	225
284	Māori Development: Māori Innovation Fund	3	40	1,890	1,000
–	– Extreme Weather Events – Auckland and Coromandel Advisory Groups	4	200	200	–
–	– Extreme Weather Events – Emergency Flood Support for the Auckland Region	6	4,396	5,000	–
–	– Regional Development: Payments and Expenses in Respect of Guarantees and Indemnities for North Island Weather Events response PLA	4	1,522	2,250	–

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
	– Research, Science and Innovation: North Island Weather Events – Plant and Food Research Limited Response and Recovery		–	11,000	–
11,315	Tourism Infrastructure Fund	5	16,660	18,217	10,000
54,461	Tourism: Recovery from COVID-19 (2021–2023) – MYA	5	2,680	3,039	19,000
2,091	Tourism: Tourism Strategic Infrastructure and System Capability	5	6,195	44,137	44,214
5,702	Economic and Regional Development: Worker Redeployment Package	4	582	1,848	–
<b>326,973</b>	<b>Total non-departmental other expenses</b>		<b>179,204</b>	<b>278,846</b>	<b>233,127</b>
	<b>Non-departmental capital expenditure</b>				
4,900	Economic and Regional Development: Tourism Capital Investment		–	–	–
	– Economic and Regional Development: Transfer of investments to Crown-owned companies		–	25,000	–
<b>4,900</b>	<b>Total non-departmental capital expenditure</b>		<b>–</b>	<b>25,000</b>	<b>–</b>
<b>531,800</b>	<b>Total non-departmental annual and MYA expenses</b>		<b>354,370</b>	<b>482,893</b>	<b>481,838</b>
<b>1,578,780</b>	<b>Total expenditure for outcome</b>		<b>860,531</b>	<b>1,445,829</b>	<b>1,176,208</b>

#### Location of year-end performance information:

1. Exemption was granted under s15D(1) of the Public Finance Act 1989.
2. Exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989.
3. Exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989.
4. Minister for Regional Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
5. Minister of Tourism in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
6. Minister for Economic Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
7. Tourism New Zealand in its annual report.
8. New Zealand Post in its annual report.
9. Minister for Economic and Regional Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.

## Multi-Year Appropriation

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Economic and Regional Development: Infrastructure Capital Expenditure Investment – MYA</b>		
Original appropriation	–	45,000
Cumulative adjustments	–	(45,000)
Total adjusted appropriation	–	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	–	–
<b>Economic and Regional Development: Infrastructure Investment Provincial Growth Fund Limited (2020–2025) – MYA</b>		
Original appropriation	–	111,057
Cumulative adjustments	–	(41,057)
Total adjusted appropriation	–	70,000
Cumulative actual expenditure 1 July	–	70,000
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	70,000
Appropriation remaining 30 June	–	–
<b>Economic and Regional Development: Investment in Crown-owned Companies for Infrastructure (2021–2025) – MYA</b>		
Original appropriation	5,000	5,000
Cumulative adjustments	(5,000)	18,390
Total adjusted appropriation	–	23,390
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	–	23,390
<b>Economic and Regional Development: Investment in Crown-owned Companies for Waste and Resource Recovery Infrastructure (2021–2025) – MYA</b>		
Original appropriation	33,000	33,000
Cumulative adjustments	(33,000)	(18,000)
Total adjusted appropriation	–	15,000
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	–	15,000
<b>Economic and Regional Development: Operational support for Grants and Crown investments (2020–2025) – MYA</b>		
Original appropriation	8,000	8,000
Cumulative adjustments	(2,221)	(1,500)
Total adjusted appropriation	5,779	6,500
Cumulative actual expenditure 1 July	5,779	2,774
Current year actual expenditure	–	3,005
Cumulative actual expenditure 30 June	5,779	5,779
Appropriation remaining 30 June	–	721

<b>Appropriation name</b>	<b>Actual 2022/23 \$000</b>	<b>Actual 2021/22 \$000</b>
<b>Economic and Regional Development: Supporting Infrastructure Projects (2020–2025) – MYA</b>		
Original appropriation	608,339	608,339
Cumulative adjustments	(207,436)	–
Total adjusted appropriation	400,903	608,339
Cumulative actual expenditure 1 July	333,737	159,436
Current year actual expenditure	67,166	174,301
Cumulative actual expenditure 30 June	400,903	333,737
Appropriation remaining 30 June	–	274,602
<b>Economic Development: Assistance with Hosting of the 36th America's Cup (2018–2022) – MYA</b>		
Original appropriation	–	100,000
Cumulative adjustments	–	28,800
Total adjusted appropriation	–	128,800
Cumulative actual expenditure 1 July	–	127,112
Current year actual expenditure	–	1,583
Cumulative actual expenditure 30 June	–	128,695
Appropriation remaining 30 June	–	105
<b>Economic Development: Major Events Development Fund (2017–2022) – MYA</b>		
Original appropriation	–	52,000
Cumulative adjustments	–	(10,675)
Total adjusted appropriation	–	41,325
Cumulative actual expenditure 1 July	–	29,183
Current year actual expenditure	–	7,486
Cumulative actual expenditure 30 June	–	36,669
Appropriation remaining 30 June	–	4,656
<b>Economic and Regional Development: Major Events Development Fund 2022–2027 – MYA</b>		
Original appropriation	46,700	–
Cumulative adjustments	17,976	–
Total adjusted appropriation	64,676	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	6,226	–
Cumulative actual expenditure 30 June	6,226	–
Appropriation remaining 30 June	58,450	–
<b>Tourism: Recovery from COVID-19 (2021–2023) – MYA</b>		
Original appropriation	86,000	86,000
Cumulative adjustments	(28,000)	–
Total adjusted appropriation	58,000	86,000
Cumulative actual expenditure 1 July	54,961	500
Current year actual expenditure	2,680	54,461
Cumulative actual expenditure 30 June	57,641	54,961
Appropriation remaining 30 June	359	31,039

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Transitional provision of mail services by New Zealand Post (2020–2024) – MYA</b>		
Original appropriation	130,000	130,000
Cumulative adjustments	–	–
<b>Total adjusted appropriation</b>	<b>130,000</b>	<b>130,000</b>
Cumulative actual expenditure 1 July	92,643	33,328
Current year actual expenditure	37,357	59,315
Cumulative actual expenditure 30 June	130,000	92,643
Appropriation remaining 30 June	–	37,357
<b>Border Support Services – MYA</b>		
Original appropriation	18,100	18,100
Cumulative adjustments	(4,749)	–
<b>Total adjusted appropriation</b>	<b>13,351</b>	<b>18,100</b>
Cumulative actual expenditure 1 July	2,706	–
Current year actual expenditure	6,359	2,706
Cumulative actual expenditure 30 June	9,065	2,706
Appropriation remaining 30 June	4,286	15,394

# Outcome 2: Skilled People Engaged in Safe and Fulfilling Work

Overview				
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures
<b>Departmental</b> \$611 million  <b>Non-Departmental</b> \$2,243 million  <b>Streams</b> › Immigration system › Workplace Health and Safety › Accident compensation regulatory services  <b>Agencies</b> › ACC › WorkSafe	› Processing visa applications  › Skilled labour development  › Workplace safety  › Workplace relations and dispute resolution	› Immigration settings/ visas for workers and residents  › Pay agreement legislation  › Protection of workers  › Safety in the building and construction sectors  › Pasifika skills development  › Expanding ACC coverage for maternal birth injuries	+ Skills qualification + Skills occupation – Migrant skills matching + Total employment – Labour utilisation – Unemployment + NEET levels + Pay equity = Fatal injury = Serious injury	<b>Achieved</b> <b>32/48</b>  Milestones 4/4 Quality 3/7 Satisfaction 8/10 Timeliness 13/22 Volume 4/5
*Key: + Positive shift – Negative shift = Unchanged				

## Outcome Measures

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
2.01	Increase skilled workforce	Qualification attainment rate: percentage of 25 to 34-year-olds with New Zealand Qualifications Framework (NZQF) level 4 qualifications or above	Household Labour Force Survey, Stats NZ	%	Positive
The qualification attainment rate for young adults (measured by the percentage of 25–34-year-olds with NZQF level 4 qualifications or above) was 59.9% in the quarter to June 2023, 0.3% higher than in the quarter to June 2022. This value has climbed most years from a low of 53.4% in 2015, except for a dip in 2020. The result in 2021 picked up above pre-COVID levels to 59.8%					
2.02	Increase skilled workforce	Skilled occupation rate	Household Labour Force Survey, Stats NZ	%	Positive
The skilled occupation rate was 65.7% in the quarter to June 2023, 0.3 percentage points higher than in the quarter to June 2022 (revised figure) <sup>1</sup> . This rate has been increasing since 2004, when it was 56.4%. This rate is the proportion of people employed in an occupation assessed as “skilled or higher” by the Australian and New Zealand Standard Classification of Occupations (ANZSCO).					
2.03	Increase skill matching of migrants	Proportion of employed principal migrants whose occupations in Aotearoa New Zealand match their skills and qualifications	Migrant Survey MBIE	%	Negative
83% of employed skilled principal applicants agreed that their current role in their main job matches their skills and qualifications, compared to 88% in 2021. This result has fluctuated over the past 10 years but remained between 80%–89%. A total of 5,594 respondents completed the Migrant Survey in 2022 and the overall survey response rate was 35%. There was an expanded eligibility timeframe for the 2021 and 2022 surveys, meaning that permanent migrants who had been in New Zealand for ‘6 months to 5 years’ were eligible for the survey rather than those who had been here for just ‘12 to 18 months’ (as applied for the 2020 survey and previous years).					

<sup>1</sup> This figure has been revised up from 65.2% to 65.4%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
2.04	Increase employment	Total employment rate	Household Labour Force Survey, Statistics New Zealand	%	Positive
	The seasonally adjusted employment rate was 69.8% in the quarter to June 2023. This is an increase from 68.6% in the quarter to June 2022 (revised figure) <sup>2</sup> . This is the third year in a row that this figure has increased, after experiencing a drop (-1%) over the 2019 and 2020 June quarters.				
2.05	Reduce underutilisation	Total underutilisation rate	Household Labour Force Survey, Statistics New Zealand	%	Negative
	The seasonally adjusted underutilisation rate was 9.8% in the quarter to June 2023, increasing from 9.2% in the quarter to June 2022. There is a declining trend over the 10 year period to June 2023.				
2.06	Reduce unemployment	Total unemployment rate	Household Labour Force Survey, Statistics New Zealand	%	Negative
	The seasonally adjusted unemployment rate was 3.6% in the quarter to June 2023. This is an increase of 0.3% from June 2022. Although this year's result is an increase, the trend over the past decade is decreasing.				
2.07	Reduce proportion of people not in employment, education, or training (NEET)	NEET rate (proportion of youth aged 15 to 24 years old not in employment, education, or training)	Household Labour Force Survey, Statistics New Zealand	%	Positive
	The seasonally adjusted NEET rate decreased to 11.8% in the quarter to June 2023, from 11.9% (revised figure) <sup>3</sup> in the quarter to June 2022, and 12.9% in 2020. The most recent result is still higher than the 2019 (pre-COVID) level of 11%.				
2.08	Improve pay equity	Difference in median hourly earnings for men and women	SNZ Labour Market Statistics (income)	%	Positive
	The gender pay gap (measured by the percentage difference between men's and women's median hourly earnings) was 8.6% in the year to June 2023. This is a decrease of 0.6% from 9.2% in the year to June 2022. The trend of the gender pay gap average over the past 10 years is declining.				
2.09	Reduce fatal and serious work-related injury	Fatal injury rate (age standardised rate per 100,000 FTE worker)	SNZ Serious injury outcome indicators	age standardised rate per 100,000 full-time equivalent (FTE) workers	Flat
	The three-year average fatal injury rate (age standardised rate per 100,000 full-time equivalent (FTE) workers) was 2.2 for the period 2019-2021 (provisional figures), which is consistent with the the period of 2018-2020 (also provisional figures). The data for this indicator is provisional. Statistics New Zealand notes that "Validated data on fatal injuries is only available up to 2018 to allow for the coroner's verification process for cause of death."				
2.10	Reduce fatal and serious work-related injury	Serious non-fatal injury rate (age standardised rate per 100,000 FTE worker)	SNZ Serious injury outcome indicators	age standardised rate per 100,000 FTE workers	Positive
	The serious non-fatal injury rate (age standardised rate per 100,000 FTE workers) was 14.7 (provisional figure) in 2021, a decrease from 16.5 in 2020 and is reasonably close to the 20-year low of 14.2 reported in 2016. Statistics New Zealand notes that "Data for 2021 is provisional."				

2 This figure has been revised up from 68.5%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.

3 This figure has been revised down from 12.1%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.



Achieved 32 out of 48 output performance targets

## Output Measures

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Economic Development: Senior Diverse Leaders: Capability Building Pilot</b> This appropriation is intended to ensure that Pacific peoples in New Zealand's public sector workforce are supported to play an active role in the stewardship and delivery of policy and services. Findings from the pilot will inform public sector diversity and inclusion outcomes.	Number of partnerships for Mana Moana Pacific leadership programme rollout	10	12 <sup>4</sup>	12
	Number of scholarship participants to be successfully enrolled into and commenced the Public Sector Senior Pacific Leadership Programme	20	24 <sup>5</sup>	23
<b>Economic Development: Shared Services Support</b> This appropriation is intended to achieve the efficient provision of shared corporate services by the Ministry of Business, Innovation and Employment. The shared services include services such as ICT, property, and secondment costs. These are provided to other State Sector organisations, including WorkSafe New Zealand and the Ministry of Housing and Urban Development.	A Master Service Agreement is in place with WorkSafe New Zealand that includes the scope of services to be delivered, including the service levels that apply to each service and each party's responsibilities and obligations in respect of those services	Achieved	Achieved	Achieved
<b>Economic and Regional Development: Operation of the Future of Work Forum</b> This appropriation is intended to achieve meaningful tripartite dialogue on policy matters related to the future of work in New Zealand; and a better understanding of how work will change in future, and how government policy might best support good work for all.	Quarterly reports delivered on time	Achieved	Achieved <sup>6</sup>	New Measure for 2022/23
	All research projects completed	Achieved	Achieved <sup>6</sup>	New Measure for 2022/23

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>ACC – Regulatory Services</b> This appropriation is intended to achieve timely advice that manages the Crown's risk and contributes to skilled and safe workplaces, and trusted, competitive and well-functioning markets.	The Accident Insurance Regulator will respond to all complaints and enquiries, including notices of insurers failing to comply with their obligation under the <i>Accident Insurance Act 1998</i> , within five days of receipt	100%	100%	No complaints or enquiries received

<sup>4</sup> The performance standard of 10 partner agencies was set as a minimum target, with the potential for more agencies to join the programme.

<sup>5</sup> 11 external agencies plus MBIE reconfirmed or joined the programme as partner agencies for cohort two.

<sup>6</sup> The programme is funded for 20 participants, with capacity for up to 24.

<sup>6</sup> This performance result will be reported by the Minister for Economic Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report from 2023/24.

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Employment – Employment Sector Analysis and Facilitation</b> This appropriation is intended to achieve productive and successful people, communities and regions through the provision of labour market information.	Labour market information is provided to the Responsible Minister <sup>7</sup> within agreed timeframes	100%	90% <sup>8</sup>	100%
<b>Workplace Relations and Safety – Employment Relations Services</b> This appropriation is intended to achieve well-functioning workplaces through services to educate and advise employers and employees of their rights and obligations.	Percentage of investigations into suspected breaches of regulatory standards of employment legislation completed within six months	80%	60% <sup>9</sup>	25%
	Percentage of investigations into suspected breaches of regulatory standards of employment legislation completed within 12 months	90%	88%	New Measure for 2022/23
	Percentage of investigations that involve a regulatory partner	At least 30%	29%	33%
	The number of interventions, both proactive and reactive, aimed at ensuring minimum compliance with employment standards	At least 2,200	3,174 <sup>10</sup>	2,286
	The percentage of customers satisfied with overall quality and timeliness of dispute resolution services	At least 80%	80%	73%
	Percentage of Migrant Exploitation Protection Visa credibility assessment completed within five working days	At least 85%	84%	New Measure for 2022/23
	Offer of Dispute Resolution Services within five working days of receipt of notice of industrial action	100%	100%	New Measure for 2022/23
<b>Immigration Services MCA</b> This appropriation is intended to achieve flows of people to New Zealand that generate positive economic and social outcomes.	Percentage of visa applicants satisfied with the overall experience of applying for a visa	80%	74% <sup>11</sup>	71%
<i>Assessment and Processing Services</i> This category is intended to achieve quality decisions on visa applications efficiently.	Quality of residence visa decisions: percentage rated as accurate	90%	87% <sup>12</sup>	87.1% <sup>13</sup>
	Quality of temporary visa decisions: percentage rated as accurate	90%	84% <sup>14</sup>	90.5% <sup>14</sup>
	Percentage of low risk visitor and student visa applications decided within 15 days	85%	53% <sup>15</sup>	37%

7 The Minister for Social Development and Employment.

8 The Ministry met the agreed timeframes on 19 out of 21 occasions. The initial timeframes were not met on two occasions due to resource constraints. The Minister's office and other stakeholders were informed of the delay in a timely manner. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

9 The year-end result has not met the performance standard due to high demand and complex exploitation cases requiring investigation and resource constraints. This year saw an improvement on 21/22 and a continuing trend of more timely investigation outcomes. Delays from historic casework from the COVID-19 restrictions, period affected 2021/22 results but have now been worked through. The increase in Labour Inspectors funded through recent Budget initiatives completing their training means timeliness is expected to improve further in 23/24.

10 This measure is demand driven. The increase from previous year's results is due to additional Full-time equivalent (FTE) funding that has been reassigned to business as usual inspectorate activities, from activities not yet realised (e.g. Fair Pay Agreement (FPA) compliance & determinations). In addition a refinement of calculations has resulted in a better reflection of activities undertaken.

11 The year-end result has not met the initial performance standard due to applicants' expectations of reasonable processing time not being met, and difficulties for applicants to track the progress of their application. Visa applicant feedback on satisfaction is captured by Immigration New Zealand Customer Experience Survey, 5,606 people completed the survey with a response rate of 41%. The result has a margin of error ±1.3%. The Ministry is taking a more sustainable approach to improvement including ongoing internal process review towards the performance standard for 2023/24.

12 This result is for the first three quarters of 2022/23 only as the year-end result was not available. The full year result will be restated in MBIE's 2023/24 Annual Report.

13 In last year's annual report, the stated result (87%) was based on the first three quarters of 2021/22. Immigration New Zealand did not access further residence samples for quarter 4 so the result for 2021/22 is still 87%. However, Immigration New Zealand completed a qualitative review of the 2021 Residence Visa (Settled) Phase 2 applications. The review showed that all applications sampled met the requirements of this visa criteria.

14 In last year's annual report, the stated result (89.95%) was based on the first three quarters of 2021/22 only as the year-end result was not available. The updated result (90.5%) represents the full year result for 2021/22.

15 For most of 2021/22 this measure was affected by the cessation of offshore visa processing due to border closures. The 2022/23 year-end result has not met the initial performance standard due to significant application volumes after border reopening. Performance has improved over the last quarter,

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<i>Integrity and Security of the New Zealand Immigration System</i> This category is intended to maintain the integrity and security of New Zealand's immigration system and processes.	Number of people, liable for deportation, who were deported or departed voluntarily after compliance activity	1,500-2,000	782 <sup>16</sup>	492
<i>Services for the Attraction of Migrants</i> This category is intended to achieve immigration to New Zealand of persons who match the priorities of New Zealand's immigration strategies.	Average monthly percentage of new registrations entered into the NZ Now database whose occupations match those at skill levels 1-3 under the Australian and New Zealand Standard Classification of Occupations	80%	77% <sup>17</sup>	80%
<i>Settlement and Integration of Refugees and Other Migrants</i> This category is intended to achieve the integration into New Zealand of migrants and refugees who settle permanently in New Zealand.	Percentage of recent migrants who feel that New Zealand is their home	85%	87% <sup>18</sup>	89%
	The annual quota of United Nations High Commissioner for Refugees (UNHCR) mandated refugees and their immediate families who travelled to New Zealand is met	Achieved	Achieved (quota of 1,500; 1,507 travelled)	Achieved (quota of 750; 754 travelled)
<b>Policy Advice and Related Services to Ministers MCA (Labour Market)</b> This appropriation is intended to achieve effective policy advice and support to Ministers.	Average satisfaction of Ministers annually	Average score of 4 out of 5 or better	4.3	4.5
<i>Policy Advice and Related Services to Ministers – Accident Compensation</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers.	The satisfaction of the Minister for ACC with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.0 <sup>19</sup>	4.4
	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	75%	75%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	100%	98%
	Ministerial Official Information Act 1982 requests	95% or above	100%	100%
Parliamentary questions	95% or above	90% <sup>20</sup>	100%	

and MBIE is reviewing the appropriateness of this measure and its target in 2023/24.

- 16 The year-end result has not met the budgeted performance standard as Immigration New Zealand's ability to undertake enforcement action against migrants who were breaching their visa conditions, including removing people from New Zealand who were liable for deportation, was impacted by airlines and flight availability. Flight/seat availability was significantly reduced, and of a higher price. This reduced both Immigration New Zealand-driven deportations as well as self- and voluntary deportations. In 2021/22, due to border closures as a result of the COVID-19 pandemic and reduced international flight operations, only 492 individuals voluntarily departed or were deported.
- 17 The Ministry has replaced this with a new measure for 2023/24 that reflects a raw count of the number of registrations for skilled occupations. This 2022/23 measure is targeted at high skills occupations.
- 18 The performance result is based on the Immigration New Zealand Customer Experience Survey. 5,606 people completed the survey with a response rate of 41%. The result has a margin of error  $\pm 1.3\%$ .
- 19 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from January to June 2023. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.
- 20 Twenty eight of the 31 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<i>Policy Advice and Related Services to Ministers – Employment</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers.	The satisfaction of the Minister for Social Development and Employment with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.6	4.4
	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	73%	71%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	100%	100%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	88% <sup>21</sup>	91%
	Parliamentary questions	95% or above	100%	97%
<i>Policy Advice and Related Services to Ministers – Immigration</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers.	The satisfaction of the Minister of Immigration with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.5 <sup>22</sup>	4.6
	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	72%	72%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	87% <sup>23</sup>	68%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	95%	80%
	Parliamentary questions	95% or above	94%	87%
<i>Policy Advice and Related Services to Ministers – Income Insurance</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers.	Policy advice is provided to inform Budget decisions and enable Cabinet consideration by 30 June on whether to implement an income insurance scheme in New Zealand and its design	Achieved	Achieved <sup>24</sup>	New Measure for 2022/23

21 Seven of the 8 Ministerial OIAs were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

22 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from July to December 2022. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

23 Six hundred and thirteen of the 703 Ministerial Correspondences were sent on time. Reasons for delays varied, including sign-out process delays. This issue has been addressed to improve resilience for 2023/24.

24 Due to the Government announcing the delay in the scheme, the performance measure was updated in the 2022/23 Supplementary Estimates process to reflect the Government's decision to hold further investigation into implementing the scheme.

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<i>Policy Advice and Related Services to Ministers – Workplace Relations and Safety</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.	The satisfaction of the Minister for Workplace Relations and Safety with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.1 <sup>25</sup>	4.6
	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	74%	73%
	Ministers and stakeholders, including tripartite partners, non-government organisations and/or other stakeholders more generally, are satisfied with the quality of support, and representation provided to meet New Zealand's labour-related international commitments	Satisfied	Satisfied	New Measure for 2022/23
	Meet New Zealand's International Labour Organisation's related commitments through protecting and promoting New Zealand's labour interests, including submitting all required reports and questionnaires within specified timeframes	100% met	100% met	100% met
	Provide support to the Ministry of Foreign Affairs and Trade in negotiation of trade labour agreements as part of all free trade agreements, and implemented in accordance with each agreement	Support provided as requested	Achieved-Support provided as requested	Achieved – Support provided as requested
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	97%	91%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	96%	84%
	Parliamentary questions	95% or above	99%	99%

<sup>25</sup> Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from July to December 2022. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

## How Much We Spent

Actual 2021/22 \$000	Our expenditure summary	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
570,364	Departmental expenses	611,470	660,161	560,510
2,059,309	Non-departmental expenses	2,228,733	2,265,291	2,219,638
	– Departmental capital	–	–	–
14,230	Non-departmental capital	14,541	15,526	14,965
<b>2,643,903</b>	<b>Total expenditure for outcome</b>	<b>2,854,744</b>	<b>2,940,978</b>	<b>2,795,113</b>

## Our Services and Functions, Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
	<b>Departmental outputs</b>				
344	Economic Development: Senior Diverse Leaders: Capability Building Pilot		344	356	350
6,208	Economic Development: Shared Services Support		3,611	13,260	13,260
	– Pike River Re-entry: Disestablishment of Pike River Recovery Agency		210	300	500
74	ACC – Regulatory Services		57	122	122
2,837	Employment – Employment Sector Analysis and Facilitation		2,583	2,950	3,041
47,721	Workplace Relations and Safety – Employment Relations Services		55,811	57,984	55,078
<b>57,184</b>	<b>Total departmental output expenditure</b>		<b>62,616</b>	<b>74,972</b>	<b>72,351</b>
	<b>Multi-category expenses and capital expenditure</b>				
<b>7</b>	<b>Employment – Māori Trades and Training Fund MCA</b>		–	–	–
	<i>Departmental output expenses</i>				
<b>7</b>	› Employment – Administration of the Māori Trades and Training Fund		–	–	–
<b>486,806</b>	<b>Immigration Services MCA</b>		<b>520,301</b>	<b>555,352</b>	<b>463,734</b>
	<i>Departmental output expenses</i>				
327,316	› Assessment and Processing Services		347,669	377,383	298,726
71,553	› Integrity and Security of the New Zealand Immigration System		81,200	82,021	78,099
10,162	› Services for the Attraction of Migrants		10,617	9,045	7,297
77,775	› Settlement and Integration of Refugees and Other Migrants		80,815	86,903	79,612
<b>26,367</b>	<b>Policy Advice and Related Services to Ministers MCA</b>		<b>28,553</b>	<b>29,837</b>	<b>24,425</b>
	<i>Departmental output expenses</i>				
1,759	› Policy Advice and Related Services to Ministers – Accident Compensation		1,389	2,243	2,250
2,829	› Policy Advice and Related Services to Ministers – Employment		3,381	4,327	3,474
9,266	› Policy Advice and Related Services to Ministers – Immigration		10,628	8,525	8,569
2,282	› Policy Advice and Related Services to Ministers – Income Insurance		2,729	3,542	1,800
10,231	› Policy Advice and Related Services to Ministers – Workplace Relations and Safety		10,426	11,200	8,332
<b>513,180</b>	<b>Total multi-category expenses and capital expenditure</b>		<b>548,854</b>	<b>585,189</b>	<b>488,159</b>
<b>570,364</b>	<b>Total expenditure</b>		<b>611,470</b>	<b>660,161</b>	<b>560,510</b>

## Our Services, Non-Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Non-departmental output expenses</b>					
3,736	Economic and Regional Development: Auckland Pacific Skills (2020–2025) – MYA	1	5,186	8,483	5,500
–	– Economic and Regional Development: Operation of the Future of Work Forum	6	614	700	700
260,370	ACC – Case Management and Supporting Services	2	279,899	279,899	279,899
21,083	ACC – Case Management and Supporting Services – Treatment Injuries for Non-Earners	2	22,664	22,664	22,664
10,400	ACC – Establishment of New Income Insurance Scheme		11,387	42,150	–
406,549	ACC – Public Health Acute Services	2	437,041	437,041	437,041
2,504	ACC – Public Health Acute Services – Treatment Injuries for Non-Earners	2	2,692	2,692	2,692
905,792	ACC – Rehabilitation Entitlements and Services	2	983,089	983,089	983,089
201,859	ACC – Rehabilitation Entitlements and Services – Treatment Injuries for Non-Earners	2	216,999	216,999	216,999
8,433	ACC – Sexual Abuse Assessment and Treatment Services	2	12,708	12,708	12,708
869	Workplace Relations and Safety – Health and Safety at Work Levy – Collection Services	3	869	869	869
131,980	Workplace Relations and Safety – Workplace Health and Safety	4	140,256	140,256	140,256
<b>1,953,575</b>	<b>Total non-departmental output expenses</b>		<b>2,113,404</b>	<b>2,147,550</b>	<b>2,102,417</b>
<b>Benefits or related expenses</b>					
78,551	ACC – Compensation Entitlements	5	85,442	85,442	85,442
19,266	ACC – Compensation Entitlements – Treatment Injuries for Non-Earners	5	20,711	20,711	20,711
<b>97,817</b>	<b>Total benefits or related expenses</b>		<b>106,153</b>	<b>106,153</b>	<b>106,153</b>
<b>Non-departmental other expenses</b>					
–	– Workplace Relations and Safety – Concession Expense for Loans to WorkSafe New Zealand		–	788	788
5,230	Workplace Relations and Safety – Employment Relations Authority Members' Salaries and Allowances PLA	5	6,348	6,710	6,220
396	Workplace Relations and Safety – Equal Employment Opportunities Trust	3	396	396	396
1,772	Workplace Relations and Safety – International Labour Organisation	3	1,740	1,855	1,855
15	Workplace Relations and Safety – New Zealand Industrial Relations Foundation	3	15	15	15
254	Workplace Relations and Safety – Remuneration Authority Members' Fees, Salaries and Allowances	3	327	330	300
250	Workplace Relations and Safety – Support for Fair Pay Agreements and Screen Industry occupational bargaining	3	350	1,494	1,494
<b>7,917</b>	<b>Total non-departmental other expenses</b>		<b>9,176</b>	<b>11,588</b>	<b>11,068</b>
<b>Non-departmental capital expenditure</b>					
14,230	Workplace Relations and Safety – Capital for WorkSafe New Zealand	4	14,541	15,526	14,965
<b>14,230</b>	<b>Total non-departmental capital expenditure</b>		<b>14,541</b>	<b>15,526</b>	<b>14,965</b>
<b>2,073,539</b>	<b>Total non-departmental annual and MYA expenses</b>		<b>2,243,274</b>	<b>2,280,817</b>	<b>2,234,603</b>
<b>2,643,903</b>	<b>Total expenditure for outcome</b>		<b>2,854,744</b>	<b>2,940,978</b>	<b>2,795,113</b>

### Location of year-end performance information:

1. Economic Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
2. Accident Compensation Corporation in its annual report.
3. Exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989.
4. WorkSafe New Zealand in its annual report.
5. Exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989.
6. Minister for Regional Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.

### Multi-Year Appropriation

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Economic and Regional Development: Auckland Pacific Skills (2020–2025) – MYA</b>		
Original appropriation	20,965	20,965
Cumulative adjustments	–	–
Total adjusted appropriation	20,965	20,965
Cumulative actual expenditure 1 July	6,982	3,246
Current year actual expenditure	5,186	3,736
Cumulative actual expenditure 30 June	12,168	6,982
Appropriation remaining 30 June	8,797	13,983

# Outcome 3: Informed Consumers and Businesses Interacting with Confidence

Overview				
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures
<b>Departmental</b> \$303 million  <b>Non-Departmental</b> \$235 million  <b>Streams</b> > Commerce and consumer affairs > Financial markets > Tenancy > Building  <b>Agencies</b> > Commerce Commission > Financial Markets Authority	> Information, advice and support to people and businesses  > Fair and resilient systems  > Dispute resolution > Building systems > Tenancy services > Intellectual property > Emergency Caller Location Information service	> Safety recalls > Dispute resolution > Supporting businesses to operate in a digital environment  > Construction contract changes protecting sub-contractors  > Critical Materials Taskforce > Building code improvements > CodeMark scheme	= Consumer awareness – Consumer confidence = Dispute resolution access + Tenancy mediation satisfaction + Employment mediation + Business experience with government + Visa application experience  N/A Reducing burden of regulations	<b>Achieved</b> <b>52/67</b>  Milestones    10/10 Quality        15/20 Satisfaction    8/10 Timeliness     15/21 Volume         4/6
*Key: + Positive shift – Negative shift = Unchanged N/A Not Available				

## Outcomes Measures

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
3.01	Increase consumer awareness	Percentage of adult consumers who know at least a moderate amount about their rights as a consumer	New Zealand Consumer Survey, MBIE	%	Flat
<p>Only 45% of consumers reported knowing at least a moderate amount about their consumer rights. This survey is conducted every two years. This result remain unchanged (45%) from the previous survey carried out in 2020.</p> <p>A total of 2,018 respondents completed the questionnaire, achieving the desired total. The response rate is 18%.</p>					
3.02	Increase consumer confidence in business	Percentage of adult consumers who agree that in Aotearoa New Zealand you can generally buy products and services and feel confident that businesses will do the right thing and not try to mislead or cheat you	New Zealand Consumer Survey, MBIE	%	Negative
<p>The percentage of consumers who agreed that in Aotearoa New Zealand you can generally buy products and services and feel confident that businesses will do the right thing and not try to mislead or cheat you was 72% in 2022. This result has remained relatively steady since 2016, but has decreased from 74% at the last biennial collection in 2020.</p> <p>A total of 2,018 respondents completed the questionnaire, achieving the desired total. The response rate is 18%.</p>					

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
3.03	Improve access to dispute resolution services	Percentage of consumers who agree there is adequate access to services that help to resolve disputes between consumers and business	New Zealand Consumer Survey, MBIE	%	Negative
	44% of consumers agree there is adequate access to dispute services. This is a decrease from 48% captured in the previous survey in 2020. A total of 2,018 respondents completed the questionnaire, achieving the desired total. The response rate is 18%.				
3.04	Increase percentage of tenancy mediations settled	Percentage of tenancy mediations settled	MBIE dispute resolution database reporting, MBIE	%	Positive
	86.22% of dispute resolution mediations that were scheduled for mediation in 2023/24, were settled in the financial year. This result is an improvement on last year's result of 83.23%. Part of this success can be attributed to the early intervention approach taken with applications filed. This has resulted in an increased number of applications resolving in the first week of the application being filed.				
3.05	Increase employment mediation customer satisfaction	Percentage of clients satisfied based on their last interaction with the employment mediation services	Employment Mediation Services Satisfaction Survey, MBIE	%	Positive
	<p>The percentage of clients satisfied with the overall quality of employment mediation services was 81% in the quarter to March 2023, an increase from 73% in the quarter to March 2022, and also higher than the result of 76% in the quarter to March 2021, and 70% in the quarter to March 2020.</p> <p>A total of 1,093 respondents completed the Employment Mediation Services Client Satisfaction Survey for the March quarter in 2023. The survey collection method has changed for this result compared to the March 2022 quarter. Surveys are now issued monthly rather than quarterly with a response rate of 21%, which is over double previous years' response rates. The surveys are issued on the 5th of the month. For the March 2023 quarter, surveys were issued on 5 February, March and April 2023. This result has a margin of error of ±3%. The survey was conducted internally using SurveyMonkey.</p>				
3.06	Improve the business experience when dealing with government	Customer Experience Index (CXI)	Better for Business Monitor, MBIE	score	Positive
	<p>The all-of-government CXI score was 59 in June 2023, increasing from 57 in June 2022. The MBIE CXI score was 69 on the Customer Experience Index in June 2023. Over the past year, MBIE's CXI score rose by 2 points from 67 in June 2022 (revised figure). While the overall shift was positive, there was a drop in some areas including attributed service value.</p> <p>The CXI is scored from 0-100 (least to most positive). The Small Business Services team is continuously improving the methodology behind the CXI calculation and for consistency retrospectively applies this methodology for multi-year comparisons. This can result in a slight adjustment in the CXI score compared to previously reported numbers, as is the case for the 2021/22 financial year score, which was revised down from 70 to 67.</p>				
3.07	Improve the experience for applicants applying for visas	Percentage of visa applicants satisfied with their overall experience of applying for a visa	Immigration New Zealand Customer Experience Survey, MBIE	%	Positive
	<p>The percentage of visa applicants satisfied with their overall experience of applying for a visa was 74% for the 2022-23 financial year. This result was higher than the previous year's result of 71%. However, it is still below the target of 80%. The key reasons were that applicants' expectations of reasonable processing time were not met, and they had difficulties tracking the progress of their application.</p> <p>The feedback was collected through MBIE's Immigration New Zealand Customer Experience Survey among visa applicants. A total of 5,606 respondents completed the INZ Customer Experience Survey in 2022-23, with a response rate of 42%. The result has a margin of error of ±1.3%. The survey was conducted by Gravitas OPG, an independent external agency.</p>				
3.08	Reduce burden of government regulations on institutions	Burden of government regulations on institutions	World Economic Forum Global Competitiveness Index	Value on scale of 1-7/ Global Rank	N/A
	Data has not been updated since 2020, as the World Economic Forum has discontinued this measure. Due to unforeseen delays, a new measure is still being developed by the World Bank.				



Achieved 52 out of 67 output performance targets

## Outputs Measures

Vote Building and Construction		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Insurance Claims Resolution</b> This appropriation is intended to achieve faster and cheaper resolution of residential insurance claims resulting from disasters, natural or otherwise.	Percentage of users of the Greater Christchurch Claims Resolution Service (GCCRS) that would recommend GCCRS to others <sup>1</sup>	At least 75%	91% <sup>2</sup>	93%
<b>Occupational Licensing</b> This appropriation is intended to achieve certainty and confidence for the industry and the public that licensed practitioners and workers in the building, construction and electrical sectors are competent and contribute to safe, healthy and affordable homes and buildings.	An internal audit and assurance rating received on the quality and timeliness of administration of licensed building practitioners and electrical workers regimes	Rating of acceptable or better	Acceptable level of compliance <sup>3</sup>	Acceptable level of compliance
<b>Residential Tenancy and Unit Title Services</b> This appropriation is intended to achieve an environment in which residential tenancy and unit title consumers and businesses are well informed, understand their rights, and meet their regulatory obligations through the provision of information, education, advice, compliance, bond processing and mediation services.	Number of interventions undertaken dealing with the breaches of the <i>Residential Tenancies Act 1986</i>	3,000	3,025 <sup>4</sup>	2,461
	Percentage of dispute resolution mediations settled	85%	86%	83%
<b>Weathertight Services</b> This appropriation is intended to achieve resolution of weathertight homes claims in New Zealand.	The percentage of long assessments (full, follow-up full, addendum, concise, cost update and supplemental) completed within 120 working days of being allocated to an assessor	80%	100% <sup>5</sup>	67%
<b>Building Policy, Regulation and Advice MCA</b> This appropriation is intended to achieve a regulatory system that ensures safe and healthy building practice in the construction sector, and effective policy advice and support to Ministers.	Average satisfaction of Ministers annually	Average score of 4 out of 5 or better	4.6 <sup>6</sup>	4.8

<sup>1</sup> During 2022/23, this measure was transferred through the 2022/23 Supplementary Estimates process from Vote Building and Construction, Housing portfolio to Vote Business, Science and Innovation, Commerce and Consumer Affairs portfolio to reflect the new entity New Zealand Claims Resolution Service (NZCRS) changing from Greater Christchurch Claims Resolution Service (GCCRS). Funding was not officially transferred during 2022/23.

<sup>2</sup> An online survey from the entity with an option to respond anonymously was used to collect results. The total sample size was 542 with a response rate of 22%. The result has a margin of error  $\pm 3\%$ . The survey contains five multi-choice questions and one free text field to provide written feedback. A hard copy of the survey is posted to customers without an email address with the option to respond anonymously.

<sup>3</sup> An internal auditor from the Occupational Regulation Quality Committee conducts the internal audit. A rating system of 1-5 is used for this measure (1 = unacceptable level of compliance; 5 = high level of compliance).

<sup>4</sup> This measure is demand driven. The target has increased from 2,500 in 2021/22 to 3,000 in 2022/23.

<sup>5</sup> The year-end result has exceeded the initial performance standard due to the low number of long assessments completed during 2022/23. Two reports were completed within the timeframe. Weathertight is in its 'sunset' phase and is working towards the closure or resolution of all remaining claims. The overall number of long assessments undertaken is few but more complex hence 100% rate. In 2021/22 the target wasn't met in part due to COVID-19 delays.

<sup>6</sup> Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from July to December 2022. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

Vote Building and Construction		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Building Regulation and Control</i></p> <p>This category is intended to achieve a regulatory system that ensures safe and healthy building practice in the construction sector.</p>	Percentage of determinations subject to clarification due to inadequate coverage of issues	Less than 3%	0%	0%
	Percentage of determinations successfully appealed	Less than 2%	0%	0%
	Percentage of users satisfied that information provided on matters relating to Building Control has met their needs	At least 72% of users surveyed	76% <sup>7</sup>	78%
<p><i>Executive functions and building system support</i></p> <p>This category is intended to achieve effective stewardship and regulation of the building system through the performance of executive functions, and provision of external support to statutory bodies where necessary to ensure they perform their functions effectively.</p>	Percentage of charges filed against individuals who are not appropriately registered or licensed in a relevant statutory regime that are upheld by the court	100%	N/A <sup>8</sup>	New Measure for 2022/23
<p><i>Policy Advice and Related Services to Ministers – Building and Construction</i></p> <p>This category is intended to achieve the provision of high quality policy advice and support to Ministers.</p>	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	98%	98%
	Ministerial Official Information Act 1982 requests	95% or above	96%	96%
	Parliamentary questions	95% or above	100%	96%
	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	72%	73%
<p><b>Residential Earthquake-Prone Building Support Services MCA</b></p> <p>This appropriation is intended to achieve the delivery of targeted financial and non-financial support to eligible owners of earthquake-prone buildings, to meet their obligations under the <i>Building Act 2004</i>.</p>	Assistance is only provided to owners of earthquake-prone buildings who have met the stated criteria for the relevant scheme or service	100%	100%	New Measure for 2022/23
<p><i>Earthquake-Prone Building Remediation Support Service</i></p> <p>This category is intended to achieve the provision of support services to selected building owner groups to plan remediation of their earthquake-prone buildings.</p>	Percentage of buildings with agreed remediation plans in place within 18 months of owners confirming agreement to take part in the pilot	70%	N/A <sup>9</sup>	New Measure for 2022/23
<p><i>Delivery and Administration of the Residential Earthquake-Prone Building Financial Assistance Scheme</i></p> <p>This category is intended to achieve the provision of support for eligible homeowners to access funding to strengthen their homes.</p>	Expressions of interest in the scheme are responded to within 2 working days of being received by Kāinga Ora	100%	96%	New Measure for 2022/23

<sup>7</sup> This website survey allows continuous feedback from users of the website and online learning platform. A five-star satisfaction rating system was used to collect feedback on the quality of services provided and how satisfied the users are. A total of 633 people completed the survey and 484 found the information very helpful. As the survey is voluntary for people accessing the website, response rate and margin of error cannot be provided for 2022/23.

<sup>8</sup> This measure result is not available as no charges were filed in the reporting period for 2022/23.

<sup>9</sup> This measure result will only be available once the pilot is complete. The expected completion date of the pilot is December 2024. Implementation of the Earthquake-Prone Building Support Service is underway and will work with the 10 selected earthquake-prone buildings and their owners to access support to resolve remediation issues.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Commerce and Consumer Affairs: Consumer Advocacy Council for Small Electricity Consumers</b> This appropriation is intended to achieve the provision of evidence-based advocacy on policy and regulatory consultations, and in decision-making processes, on behalf of small business and residential electricity consumers.	Establish evidence baseline to inform advocacy	Achieved	Achieved	Achieved
<b>Commerce and Consumer Affairs: Consumer Information</b> This appropriation is intended to achieve a trading environment in which consumers, including vulnerable consumers, are well informed, adequately protected, trading is fair, and in which there is effective competition.	Develop three consumer information programmes	3	5 <sup>10</sup>	4
<b>Commerce and Consumer Affairs: Insurance Claims Resolution</b> This appropriation is intended to achieve faster and cheaper resolution of residential insurance claims resulting from disasters, natural or otherwise.	Percentage of users of the New Zealand Claims Resolution Service (NZCRS) that would recommend NZCRS to others	At least 75%	91% <sup>11</sup>	New Measure for 2022/23
<b>Commerce and Consumer Affairs: Official Assignee Functions</b> This appropriation is intended to achieve increased business and consumer confidence through the discharge of the Official Assignee's statutory responsibilities.	An average internal audit rating 3 or-better is achieved for the year, on compliance with best practice modules across all Insolvency Offices, in line with the Quality Management System	Rating of 1,2 or 3	1.67	New Measure for 2022/23
<b>Commerce and Consumer Affairs: Registration and Granting of Intellectual Property Rights</b> This appropriation is intended to achieve the protection of robust intellectual property rights to promote innovation, technology creation, transfer and dissemination, and support economic development.	Percentage of decisions by the Intellectual Property Office and the Plant Variety Rights Office to accept, grant or register intellectual property rights that are upheld	99%	99.9%	99.9%
<b>Commerce and Consumer Affairs: Registration and Provision of Statutory Information</b> This appropriation is intended to achieve effective and efficient interaction between business and government through the management of registers and provision of access to authoritative information.	Increase in value delivered to small businesses through business.govt.nz tools and resources (calculated using year to-date visits and satisfaction ratings)	15%	-30.5% <sup>12</sup>	New Measure for 2022/23
	Percentage of online company name approvals and consents processed within 35 minutes of receipt during normal business hours	95%	99.2%	98%
	Availability of the Companies and Personal Property Securities online registers (excludes agreed outages for scheduled maintenance)	99%	99.7%	99.8%

<sup>10</sup> Initial performance was estimated. A cautious approach was undertaken when developing this performance standard.

<sup>11</sup> An online survey with an option to respond anonymously was used to collect results. The total sample size was 542 with a response rate of 22%. The result has a margin of error ±3%. The survey contains five multi-choice questions and one free text field to provide written feedback. A hard copy of the survey is posted to customers without an email address and the option to respond anonymously is also provided.

<sup>12</sup> The year-on-year result has not met the initial performance standard. Website traffic was substantially lower during 2022/23 (3.3 million sessions), compared to 2021/22 when www.business.govt.nz was the official communication channel while the COVID-19 alert levels were in place (6.6 million sessions). This measure has been replaced for 2023/24 to better reflect relevancy for this funding.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Commerce and Consumer Affairs: Standards Development and Approval</b> This appropriation is intended to achieve the development of, and access to, standards in New Zealand that meet the needs of business, regulators and consumers.	Percentage of draft New Zealand Standards submitted for approval by the Standards Executive that meet the statutory criteria as specified in the <i>Standards and Accreditation Act 2015</i>	100%	100%	100%
	Percentage of all new, or modifications to existing New Zealand Standards have been reviewed to help ensure they do not create unnecessary obstacles to international trade and investment	100%	100%	New Measure for 2022/23
<b>Commerce and Consumer Affairs: Trading Standards</b> This appropriation is intended to achieve a trading environment in which businesses and consumers are well informed, compliant, adequately protected, trading is fair, and there is effective competition.	The weighted internal audit and assurance rating received on the quality and timeliness of the administration of regulatory compliance, service and operational policy delivery relating to consumer product safety, measurements used for trade and fuel quality monitoring is rated 3 or better	Weighted audit rating between 1 and 3 <sup>13</sup>	3 <sup>14</sup>	New Measure for 2022/23
	Voluntary product recall notifications are acknowledged and responded to within 5 working days	90%	94%	New Measure for 2022/23
<b>Communications: Management and Enforcement of the Radiocommunications Act 1989</b> This appropriation is intended to achieve the provision of effective and efficient allocation and licensing of the radio spectrum and covers all commercial regulatory and non-commercial activities.	95% of internal audits on the timeliness of administration of submitted licensing applications, interference investigations, and licence and supplier audits are compliant	95%	95%	New Measure for 2022/23
<b>Communications: Management of Emergency Telecommunications Capabilities</b> This appropriation is intended to achieve the continued operation and enhancement of the Emergency Caller Location Information (ECLI) service for New Zealand, including maintaining currency with evolving technology and improving the accuracy of caller locations.	Percentage of genuine calls for which Emergency Caller Location Information (ECLI) provides high precision location	90%	88.1%	New Measure for 2022/23
<b>Economic and Regional Development: Developing a Circular Economy and Bioeconomy Strategy</b> This appropriation is intended to achieve the development and delivery of a circular economy and bioeconomy strategy.	Commission research to provide an understanding of the opportunities and challenges within New Zealand, and the strategic shifts required to enable the circular economy and bioeconomy, by June 2023	Achieved	Achieved	New Measure for 2022/23
	Create a first draft of the strategic narrative by October 2023	In progress	In progress	New Measure for 2022/23
<b>Police: Administration of the Retail Crime Subsidy Scheme</b> This appropriation is intended to achieve operational leadership and departmental support for the Retail Crime Subsidy Scheme.	The Retail Crime Subsidy Scheme is in place and commences by 1 February 2023	Achieved	Achieved	New Measure for 2022/23
	A sample verification is conducted to confirm retailer eligibility self-declarations meet eligibility criteria	Achieved	Achieved	New Measure for 2022/23
<b>Police: Retail Crime Subsidy Scheme</b> This appropriation is intended to achieve support to retailers through providing subsidy payments for the delivery of provider products and services in accordance with the Retail Crime Subsidy Scheme.	A list of approved suppliers is established	Achieved	Achieved	New Measure for 2022/23

<sup>13</sup> The performance target should have been updated to 'Weighted audit rating 3 or better' in the 2022/23 Supplementary Estimates process.

<sup>14</sup> Individual scores are put through a matrix that produces a performance score for each audit that is used to produce an annual averaged performance score which is reported against this measure: 1 = unacceptable level of compliance, 2 = marginal level of compliance, 3 = acceptable level of compliance and 4 = high level of compliance.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Communications: Services for Deaf, Hearing-Impaired and Speech-Impaired People MCA</b> This appropriation is intended to achieve the removal of barriers to telecommunications services for deaf and hearing impaired people.	NZ Relay call minutes and service quality levels monitored to ensure the service meets the needs of the users	Achieved	Achieved	New Measure for 2022/23
<i>Telecommunications Development Levy Funded Procurement – Deaf Relay Service TSO</i> This category is intended to achieve the purchase of deaf relay services for deaf, hearing-impaired, and speech-impaired people.	Minimum service level agreement met or exceeded for the full year	Achieved	Achieved	Achieved
<i>Acquisition of Relay Equipment</i> This category is intended to achieve access to, and use of, telecommunications services and equipment by deaf, hearing impaired, and speech impaired people.	Minimum service level agreement met or exceeded for the full year	Achieved	Achieved	New Measure for 2022/23
<b>Policy Advice and Related Services to Ministers MCA (Business, Science and Innovation)</b> <i>Investigative Services – Trade Remedies</i> This category is intended to achieve a fair international trading environment for New Zealand manufacturers through the imposition of anti-dumping and countervailing duties on imported goods, and to allow New Zealand manufacturers time to adjust to competition from surges of imported goods through the imposition of temporary safeguard measures, where an investigation has established that either action is justified.	No successful court challenges or successful World Trade Organisation (WTO) dispute settlement actions related to the <i>Dumping and Countervailing Duties Act 1988</i> or the <i>Trade (Safeguard Measures) Act 2014</i>	Achieved	Achieved	Achieved
	Timeliness of investigations allowed interested parties to appropriately contribute, and the Minister of Commerce and Consumer Affairs to make final timely determinations	In accordance with statutory timeframes	Achieved	Achieved
<i>Policy Advice and Related Services to Ministers – Commerce and Consumer Affairs</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	72%	74%
	The satisfaction of the Minister of Commerce and Consumer Affairs with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.2 <sup>15</sup>	4.5
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	96%	96%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	90% <sup>16</sup>	95%
	Parliamentary questions	95% or above	91% <sup>17</sup>	100%

15 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from January to June 2023. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

16 Twenty seven of the 30 Ministerial OIAs were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

17 One hundred and sixty four of the 180 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Policy Advice and Related Services to Ministers – Digital Economy and Communications</i></p> <p>This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.</p>	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	72%	75%
	The satisfaction of the Minister for the Digital Economy and Communications with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.8 <sup>18</sup>	4.0
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	97%	97%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	100%	88%
	Parliamentary questions	95% or above	87% <sup>19</sup>	92%
<p><i>Policy Advice and Related Services to Ministers – Small Business</i></p> <p>This category is intended to achieve the provision of high quality policy advice and support to Ministers.</p>	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	74%	70%
	The satisfaction of the Minister for Small Business with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.9 <sup>20</sup>	4.9
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	100%	97%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	100%	100%
	Parliamentary questions	95% or above	89% <sup>21</sup>	80%
<p><b>Small Business: Business and Wellbeing Support MCA</b></p> <p>This appropriation is intended to achieve the provision of wellbeing support services tailored specifically for Small Business owners and their staff.</p>	User star rating enabled on the First Steps website	Achieved	Achieved	New Measure for 2022/23
<p><i>Delivery of business and wellbeing support services</i></p> <p>This category is intended to achieve the effective monitoring of the First Steps Programme.</p>	Contractual obligations are met, Governance structures are upheld and regular reporting milestones are met.	Achieved	Achieved	Achieved

18 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from January to June 2023. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

19 Three hundred and two of the 346 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

20 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from January to June 2023. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

21 Eighty four of the 94 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<i>Wellbeing Support for businesses</i> This category is intended to achieve effective delivery of business advisory and wellbeing support services to small businesses.	Number of times mental health and well-being resources have been downloaded	240,000	258,053 <sup>22</sup>	44,000
	Number of businesses who accessed 'First Steps' website	320,000	380,946 <sup>23</sup>	54,000
<b>Small Business: Digital Enablement of Small Business MCA</b> This appropriation is intended to achieve digital acceleration of New Zealand small businesses by facilitating the provision of and access to digital business skills training, advisory services, support, and tools.	Percentage of small business very satisfied or satisfied using Digital Boost services	Greater than or equal to 75%	78% <sup>24</sup>	80%
<i>Small Business: Digital Enablement Programme Design, and Management</i> This category is intended to achieve the effective design, establishment and monitoring of the Digital Enablement Programme.	Successful procurement, administration and management for delivering the Digital Boost Programme (third-party contracts)	Achieved	Achieved	Achieved
<i>Small Business: Digital Enablement Small Business and Provider Funding and Services</i> This category is intended to achieve funding small businesses and providers for services and products that accelerate the digital enablement of New Zealand small businesses.	The number of business trainees signing up to the Digital Boost Skills Training Platform	30,000	13,972 <sup>25</sup>	New Measure for 2022/23
	The number of business trainees receiving digital business advisory support and/or developing Digital Business Action Plans	30,000	8,243 <sup>26</sup>	New Measure for 2022/23

Vote Labour Market		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Immigration – Regulation of Immigration Advisers</b> This appropriation is intended to achieve certainty and confidence for the industry and the public that licensed immigration advisers are competent and professional, and that action is taken against unlicensed advice.	An internal audit and assurance rating received on the quality and timeliness of administration of the <i>Immigration Advisers Licensing Act 2007</i>	Rating of acceptable or better	Acceptable level of compliance <sup>27</sup>	Acceptable level of compliance

22 This measure result is demand driven. In 2021/22, the year-end result far exceeded the initial performance standard (18,000) due to demand for this resource. The 2022/23 target was adjusted to 240,000 to better align with the demand for the resource.

23 This measure result is demand driven. In 2021/22, the year-end result far exceeded the initial performance standard (35,000) due to demand for this resource. The 2022/23 target was adjusted to 320,000 to better align with the demand for the resource.

24 An annual independent survey conducted by Research New Zealand was used to collect result. The total sample size was 2,402. 611 completed the survey with a response rate of 25.4%. The result has a margin of error ±4.0.

25 The year-end result has not met the initial performance standard. The target was set based on a strong early acquisition rate during COVID-19. Since the end of COVID-19 settings, there has been a change in customer behaviour and less urgency to digitise among those who have not yet done so. This measure and performance standard have been changed for 2023/24 to better reflect the focus of a funding reprioritisation.

26 The target was set based on a strong early acquisition rate during COVID-19. Since the end of COVID-19 settings, there has been change in customer behaviour and less urgency to digitise among those who have not yet done so. This measure and performance standard have been changed for 2023/24 to better reflect the focus of a funding reprioritisation.

27 An internal auditor from the Occupational Regulation Quality Committee conducts the internal audit. A rating system of 1-4 is used for this measure (1= unacceptable level of compliance; 2 = marginal level of compliance; 3 = acceptable level of compliance; and 4 = high level of compliance).

## How Much We Spent

Actual 2021/22 \$000	Our expenditure summary	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
272,337	Departmental expenses	303,224	350,638	312,660
251,377	Non-departmental expenses	221,331	265,998	240,325
	– Departmental capital	–	–	–
79,700	Non-departmental capital	13,485	184,213	7,628
<b>603,414</b>	<b>Total expenditure for outcome</b>	<b>538,040</b>	<b>800,849</b>	<b>560,613</b>

## Our Services and Functions, Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Departmental outputs</b>					
7,162	Insurance Claims Resolution		2,315	2,317	4,832
14,225	Occupational Licensing		15,316	15,668	11,682
39,799	Residential Tenancy and Unit Title Services		46,786	48,705	45,657
4,417	Weathertight Services		3,349	6,187	6,947
45	Commerce and Consumer Affairs: Administration of the COVID-19 Consumer Travel Reimbursement Scheme		–	–	–
993	Commerce and Consumer Affairs: Consumer Advocacy Council for Small Electricity Consumers		1,338	1,797	1,600
1,916	Commerce and Consumer Affairs: Consumer Information		2,246	2,368	2,375
	– Commerce and Consumer Affairs: Insurance Claims Resolution		3,187	3,485	–
23,155	Commerce and Consumer Affairs: Official Assignee Functions		24,396	27,164	23,052
30,366	Commerce and Consumer Affairs: Registration and Granting of Intellectual Property Rights		34,865	36,853	36,986
44,890	Commerce and Consumer Affairs: Registration and Provision of Statutory Information		45,710	48,927	46,408
6,804	Commerce and Consumer Affairs: Standards Development and Approval		7,584	7,977	7,802
5,764	Commerce and Consumer Affairs: Trading Standards		7,260	8,084	8,103
7,560	Communications: Management and Enforcement of the Radiocommunications Act 1989		12,598	21,276	14,698
	– Communications: Management of Emergency Telecommunications Capabilities		15,731	24,788	16,113
	– Economic and Regional Development: Developing a Circular Economy and Bioeconomy Strategy		729	736	1,600
	– Police: Administration of the Retail Crime Subsidy Scheme		537	1,263	–
2,991	Immigration – Regulation of Immigration Advisers		3,282	4,008	4,016
<b>190,087</b>	<b>Total departmental output expenditure</b>		<b>227,229</b>	<b>261,603</b>	<b>231,871</b>

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Multi-category expenses and capital expenditure</b>					
<b>49,940</b>	<b>Building Policy, Regulation and Advice MCA</b>		<b>51,620</b>	<b>62,189</b>	<b>56,178</b>
<i>Departmental output expenses</i>					
41,711	› Building Regulation and Control		43,496	50,008	42,940
40	› Executive Functions and Building System Support		8	90	90
8,182	› Policy Advice and Related Services to Ministers – Building and Construction		8,116	12,081	13,138
<i>Non-departmental output expenses</i>					
7	› Supporting the performance of statutory boards		–	10	10
–	<b>Residential Earthquake-Prone Building Support Services MCA</b>		<b>345</b>	<b>2,163</b>	<b>–</b>
<i>Departmental output expenses</i>					
–	› Earthquake-Prone Building Remediation Support Service		73	1,328	–
<i>Non-departmental other expenses</i>					
–	› Delivery and Administration of the Residential Earthquake-Prone Building Financial Assistance Scheme		272	835	–
<b>35,703</b>	<b>Commerce and Consumer Affairs: Enforcement of General Market Regulation MCA</b>		<b>42,211</b>	<b>42,511</b>	<b>40,398</b>
<i>Non-departmental output expenses</i>					
12,039	› Enforcement of Competition Regulation	2	11,879	11,879	11,359
19,084	› Enforcement of Consumer Regulation	2	19,123	19,123	19,643
3,330	› Liquid Fuels Monitoring and Enforcement	2	5,319	5,319	4,819
1,250	› Retail Payment Systems Administration and Enforcement		4,577	4,577	4,577
–	› Transition and Implementation of Economic Regulation and Consumer Protection Regime of Three Waters		1,313	1,613	–
<b>7,411</b>	<b>Commerce Commission Litigation Funds MCA</b>	2	<b>8,044</b>	<b>14,089</b>	<b>14,089</b>
<i>Non-departmental other expenses</i>					
2,594	› Commerce Commission Externally-Sourced Litigation	2	2,623	8,500	8,500
4,817	› Commerce Commission Internally-Sourced Litigation	2	5,421	5,589	5,589
<b>9,809</b>	<b>Communications: Management of Emergency Telecommunications Services MCA</b>		<b>–</b>	<b>–</b>	<b>–</b>
<i>Departmental output expenses</i>					
–	› Management and Development of Commercialisation		–	–	–
9,809	› Management of Telecommunications Capabilities		–	–	–
<b>4,750</b>	<b>Communications: Services for Deaf, Hearing Impaired and Speech Impaired People MCA</b>		<b>4,999</b>	<b>5,584</b>	<b>5,584</b>
<i>Non-departmental output expenses</i>					
81	› Administrative Support for Telecommunications Relay Equipment and Services	1	–	139	139
<i>Non-departmental other expenses</i>					
4,669	› Telecommunications Development Levy Funded Procurement – Deaf Relay Service TSO	2	4,999	5,280	5,280
<i>Non-departmental capital expenditure</i>					
–	› Acquisition of Relay Equipment		–	165	165

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
4,100	<b>Emergency Management: Services for Hazards Management MCA</b>		11,700	11,700	11,700
	<i>Non-departmental output expenses</i>				
1,900	› Services for Hazards Management		8,700	8,700	8,700
	<i>Non-departmental capital expenditure</i>				
2,200	› Capital to Support Services for Hazards Management		3,000	3,000	3,000
21,561	<b>Policy Advice and Related Services to Ministers MCA</b>		23,104	24,383	23,621
	<i>Departmental output expenses</i>				
796	› Investigative Services – Trade Remedies		586	570	574
11,632	› Policy Advice and Related Services to Ministers – Commerce and Consumer Affairs		13,805	15,510	15,068
6,888	› Policy Advice and Related Services to Ministers – Digital Economy and Communications		6,059	6,013	5,908
2,245	› Policy Advice and Related Services to Ministers – Small Business		2,654	2,290	2,071
53,500	<b>Services and Advice to Support Well-functioning Financial Markets MCA</b>		67,618	67,618	67,618
	<i>Non-departmental output expenses</i>				
11,342	› Performance of Investigation and Enforcement Functions	4	17,888	17,888	8,574
21,025	› Performance of Licensing and Compliance Monitoring Functions	4	24,956	24,956	32,715
21,133	› Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions	4	24,774	24,774	26,329
16,069	<b>Small Business: Digital Enablement of Small Business MCA</b>		16,860	17,522	22,000
	<i>Departmental output expenses</i>				
947	› Small Business: Digital Enablement Programme Design, and Management		1,047	995	1,000
	<i>Non-departmental output expenses</i>				
15,122	› Small Business: Digital Enablement Small Business and Provider Funding and Services		15,813	16,527	21,000
4,187	<b>Small Business: Business and Wellbeing Support MCA</b>		882	2,150	2,000
	<i>Departmental output expenses</i>				
–	› Delivery of business and wellbeing support services		151	150	–
	<i>Non-departmental output expenses</i>				
4,187	› Wellbeing Support for businesses		731	2,000	2,000
207,030	<b>Total multi-category expenses and capital expenditure</b>		227,383	249,909	243,188
397,117	<b>Total expenditure</b>		454,612	511,512	475,059

## Our Services, Non-Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Non-departmental output expenses</b>					
8,581	Commerce and Consumer Affairs: Accounting and Assurance Standards Setting	5	8,627	8,627	8,627
1,494	Commerce and Consumer Affairs: Administration of the Takeovers Code	6	1,494	1,494	1,494
2,686	Commerce and Consumer Affairs: Competition Studies	1	2,569	3,119	2,672
4,079	Commerce and Consumer Affairs: COVID-19 Consumer Travel Reimbursement Scheme		–	50	–
–	Commerce and Consumer Affairs: Economic Regulation Inquiries		–	1,000	–
602	Commerce and Consumer Affairs: Enforcement of Dairy Sector Regulation and Auditing of Milk Price Setting	1	379	379	757
–	Commerce and Consumer Affairs: Enforcement of Dairy Sector Regulation and Monitoring of Milk Price Setting	2	445	1,249	–
–	Commerce and Consumer Affairs: Grocery Sector Regulation	2	3,576	4,790	–
366	Commerce and Consumer Affairs: Regulation of Airport Services (2019–2024) – MYA	2	648	470	896
8,622	Commerce and Consumer Affairs: Retirement Commissioner	8	8,622	8,622	8,622
417	Commerce and Consumer Affairs: Review of Commerce Act Input Methodologies for Economic Regulation for the Period 2021–2024 – MYA	2	5,055	5,600	5,600
–	Communications: Addressing Māori Interests in Radio Spectrum	1	5,780	5,780	2,475
–	Communications: Emergency Telecommunications Services		–	1,064	1,064
7,888	Communications: Enforcement of Telecommunications Sector Regulation		–	–	–
–	Communications: Regulation of Telecommunications Services 2022–2025 – MYA	2	12,043	14,500	20,500
–	Communications: Rural Connectivity	10	15,000	15,000	15,000
–	Digital Economy and Communications: 3.5 GHz rural and regional connectivity initiatives – MYA		–	18,000	–
5,264	Enforcement of Telecommunications Sector Fibre and Broadcasting Transmission Service Regulation (2019–2022) – MYA		–	–	–
–	Police: Retail Crime Subsidy Scheme		3,249	3,250	–
<b>39,999</b>	<b>Total non-departmental output expenses</b>		<b>67,487</b>	<b>92,994</b>	<b>67,707</b>
<b>Non-departmental other expenses</b>					
–	Payments in respect of the Weathertight Services Loan Guarantees PLA		–	1,200	1,200
338	Residential Earthquake-Prone Buildings Financial Assistance Scheme: Delivery and Administration of the Loan Scheme for Earthquake-Prone Buildings	11	160	161	1,125
–	Residential Earthquake-Prone Buildings Financial Assistance Scheme: Fair Value Write-down (2020–2024) – MYA		–	3,700	3,700
110	Unwind of Discount Rate Used in the Present Value Calculation of Direct Payments Under the Weathertight Homes Financial Assistance Package	3	1,573	1,659	1,659
2,000	Commerce and Consumer Affairs: Financial Markets Authority Litigation Fund	4	3,000	7,000	5,000
–	Commerce and Consumer Affairs: Takeovers Panel Litigation Fund		–	200	200

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
597	Energy and Resources: Fair Value Write-down on Loans and Investments	3	723	1,375	500
32,992	Infrastructure: Regional Digital Connectivity Improvements (2018–2021) – MYA		–	–	–
52,761	Infrastructure: Telecommunications Development Levy Funded Procurement – Telecommunications Infrastructure Investment (2019–2022) – MYA		–	–	–
<b>88,798</b>	<b>Total non-departmental other expenses</b>		<b>5,456</b>	<b>15,295</b>	<b>13,384</b>
	<b>Non-departmental capital expenditure</b>				
	– Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake-Prone Buildings (2020–2024) – MYA		–	2,500	2,500
	– Communications: Connectivity Infrastructure Investment	1	10,000	10,000	–
	– Communications: Radio Spectrum Management Rights – Capital		–	165,600	–
77,500	Infrastructure: Broadband Investment (2018–2021) – MYA		–	–	–
	– Investment in the Financial Markets Authority	1	485	2,948	1,963
<b>77,500</b>	<b>Total non-departmental capital expenditure</b>		<b>10,485</b>	<b>181,048</b>	<b>4,463</b>
<b>206,297</b>	<b>Total non-departmental annual and MYA expenses</b>		<b>83,428</b>	<b>289,337</b>	<b>85,554</b>
<b>603,414</b>	<b>Total expenditure for outcome</b>		<b>538,040</b>	<b>800,849</b>	<b>560,613</b>

**Location of year-end performance information:**

1. Exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989.
2. Commerce Commission’s annual report.
3. Exemption granted under section 15D(2)(b)(ii) of the Public Finance Act 1989.
4. Financial Markets Authority’s annual report.
5. External Reporting Board’s annual report.
6. Takeovers Panel’s annual report.
7. Minister of Commerce and Consumer Affairs in the Vote Business, Science and Innovation non-departmental appropriations report.
8. Te Ara Ahunga Ora Retirement Commission in its annual report.
9. Minister for Digital Economy and Communications in the Vote Business, Science and Innovation non-departmental appropriations report.
10. Crown Infrastructure Partners’ annual report.
11. Kāinga Ora in its annual report.

## Multi-Year Appropriation

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Commerce and Consumer Affairs: Regulation of Airport Services (2019–2024) – MYA</b>		
Original appropriation	2,763	2,763
Cumulative adjustments	–	–
Total adjusted appropriation	2,763	2,763
Cumulative actual expenditure 1 July	1,025	659
Current year actual expenditure	648	366
Cumulative actual expenditure 30 June	1,673	1,025
Appropriation remaining 30 June	1,090	1,738
<b>Commerce and Consumer Affairs: Review of Commerce Act Input Methodologies for Economic Regulation for the Period 2021–2024 – MYA</b>		
Original appropriation	8,000	8,000
Cumulative adjustments	–	–
Total adjusted appropriation	8,000	8,000
Cumulative actual expenditure 1 July	417	–
Current year actual expenditure	5,055	417
Cumulative actual expenditure 30 June	5,472	417
Appropriation remaining 30 June	2,528	7,583
<b>Communications: Regulation of Telecommunications Services 2022–2025 – MYA</b>		
Original appropriation	64,074	64,074
Cumulative adjustments	(18,000)	–
Total adjusted appropriation	46,074	64,074
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	12,043	–
Cumulative actual expenditure 30 June	12,043	–
Appropriation remaining 30 June	34,031	64,074
<b>Enforcement of Telecommunications Sector Fibre and Broadcasting Transmission Service Regulation (2019–2022) – MYA</b>		
Original appropriation	–	12,300
Cumulative adjustments	–	6,359
Total adjusted appropriation	–	18,659
Cumulative actual expenditure 1 July	–	12,938
Current year actual expenditure	–	5,264
Cumulative actual expenditure 30 June	–	18,202
Appropriation remaining 30 June	–	457
<b>Infrastructure: Telecommunications Development Levy Funded Procurement – Telecommunications Infrastructure Investment (2019–2022) – MYA</b>		
Original appropriation	–	101,500
Cumulative adjustments	–	53,904
Total adjusted appropriation	–	155,404
Cumulative actual expenditure 1 July	–	102,642
Current year actual expenditure	–	5,261
Cumulative actual expenditure 30 June	–	155,403
Appropriation remaining 30 June	–	1

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Fair Value Write-down (2020–2024) – MYA</b>		
Original appropriation	4,800	4,800
Cumulative adjustments	1,300	1,300
Total adjusted appropriation	6,100	6,100
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	6,100	6,100
<b>Residential Earthquake-Prone Buildings Financial Assistance Scheme: Loan Scheme for Earthquake-Prone Buildings (2020–2024) – MYA</b>		
Original appropriation	10,000	10,000
Cumulative adjustments	–	–
Total adjusted appropriation	10,000	10,000
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	10,000	10,000

# Outcome 4: Value is Sustainably Derived from the Natural Environment

Overview					
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures	
<b>Departmental</b> \$41 million	› Security and operations of energy systems and markets	› Renewable energy	– Reducing net greenhouse gas emissions	<b>Achieved</b>	<b>8/17</b>
<b>Non-Departmental</b> \$313 million	› Promoting energy efficiency, conservation and renewables	› Net zero carbon emissions	+ Sustainability of our energy system	Milestones	2/3
<b>Streams</b>	› Management of Crown mineral estate	› Southland Just Transition Work Plan	+ Increasing efficiency of our energy system	Quality	1/3
› Energy	› Decommissioning oil fields	› Energy education		Satisfaction	2/3
› Minerals		› Emissions Reduction Plan, National Adaptation Plan		Timeliness	3/5
<b>Agencies</b>		› Crown mineral system amendments		Volume	0/3
› Electricity Authority					
› Energy Efficiency and Conservation Authority					

\*Key: + Positive shift – Negative shift = Unchanged

## Outcome Measures

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
4.01	Reduce net greenhouse gas emissions (using levers that MBIE has available)	Net greenhouse gas emissions	Ministry for the Environment (MfE) New Zealand's Greenhouse Gas Inventory	kt CO <sub>2</sub> -e	Negative
	Aotearoa New Zealand's net greenhouse gas emissions (including those from the land use, land-use change and forestry sector) was 55,746 kilotons (kt) carbon dioxide equivalent (CO <sub>2</sub> -e) in 2021 (the most recent period for which data is available). This is an increase on 2020's result of 54,089kt (revised figure) <sup>1</sup> . In 2021, the 5-year average of 54,924 kt is higher than the 2020 5-year average of 53,944 kt (revised figure) <sup>2</sup> .				
4.02	Increase sustainability of Aotearoa New Zealand's energy system	Percentage of total primary energy supply (TPES) coming from renewables	MBIE Energy Statistics	%	Positive
	The percentage of total primary energy supply (TPES) from renewable energy sources (including hydro, wind, geothermal, solar, woody biomass, biogas, and liquid biofuels) was 44% in 2022, an increase from 41% in 2021. This is the largest year-on-year increase in the past decade. The 5-year average lifts by 1 percentage point to 41%.				
4.03	Increase efficiency of Aotearoa New Zealand's energy system	Energy intensity (based on mega joules per dollar of GDP in real 2009/10 prices)	MBIE Energy Statistics; Stats NZ Gross Domestic Product	MJ/\$GDP	Positive
	Energy intensity was 1.96 megajoules used per dollar of GDP (in real 2009/10 prices) in the year to March 2022, down from 2.01 the previous year. This result continues the trend over the last decade of year-on-year decreases.				

1 The 2020 figure has been revised down from 55,433kt and the 5-year average was revised down 54,381kt. As methodological improvements are made to the way emissions are estimated, the previously reported emissions may be subject to revision.

2 There is a level of inherent uncertainty in reporting greenhouse gas (GHG) emissions. The trend uncertainty in Aotearoa New Zealand's net emissions from 1990 to 2021 is ±19.4%. This is an increase of 5.6% when compared with the uncertainty for 2020, primarily a result of an increase in 'Forest land' uncertainties. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. Uncertainty estimates are an essential element of a complete inventory. The purpose of uncertainty information is not to dispute the validity of the inventory estimates but to help prioritise efforts to improve the accuracy of inventories and guide decisions on methodological choice. For more information on Aotearoa New Zealand GHG emissions, including inventory uncertainties, the methodology of data collection and analysis, and assumptions used in the calculation, refer to the source of information for this measure, the Ministry for the Environment – New Zealand's Greenhouse Gas Inventory (1990-2021).

47%  
ACHIEVED

Achieved 8 out of 17 output performance targets

## Output Measures

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Energy and Resources: Information Services</b> This appropriation is intended to achieve the provision of information and technical advice on energy and resources.	New Zealand's obligations for reporting energy information to international organisations, including the International Energy Agency, Asia Pacific Economic Cooperation and United Nations Framework Convention on Climate Change, are met to an agreed standard	All international requirements are met	All international requirements are met	All international requirements are met
	Statistical releases are free from significant errors	100%	100%	100%
	Statistical releases are published on the advertised date	100%	100%	100%
<b>Energy and Resources: Management of the Crown Mineral Estate</b> This appropriation is intended to achieve the efficient allocation and management of Crown-owned petroleum and mineral resources.	Percentage of Annual Review Meetings are conducted for no less than 60% of all petroleum permits and licenses	60%	90% <sup>3</sup>	New Measure for 2022/23
	Percentage of mineral applications are granted or declined within 120 working days	80%	53% <sup>4</sup>	52%
	Iwi are consulted with on all applications that are within their rohe	100%	100%	100%
<b>Energy and Resources: Supporting Decommissioning of Oil Fields</b> This appropriation is intended to achieve the demobilisation and decommissioning of New Zealand oil fields.	Number of milestones being assessed and completed by 30 June 2023 and by 30 June 2024	4	3 <sup>5</sup>	New measure for 2022/23
<b>Energy and Resources: Renewable Energy in Communities and Public and Māori housing MCA</b> This appropriation is intended to achieve lower energy costs, improved resilience and the decarbonisation of communities and public and Māori housing infrastructure.	Percentage of project proposals received during the year that meet the scheme assessment and evaluation criteria	80%	75% <sup>6</sup>	New Measure for 2022/23
<i>Operational Support</i> This category is intended to achieve the improvement of energy affordability through the operational deployment of renewable energy solutions on public housing.	Number of Public housing tenants recruited for the evaluation	At least 100	N/A <sup>7</sup>	New Measure for 2022/23

<sup>3</sup> This measure is demand driven. A cautious approach was undertaken when developing the performance standard.

<sup>4</sup> The year-end result has not met the initial performance standard due to significant number of minerals applications. The Ministry will continue to progress mineral applications to improve the timeliness towards the performance standard for 2023/24.

<sup>5</sup> This measure represents the activities related to this appropriation: completion of Phase 2 (July 2022); Mobilisation of Phase 3 contractor (April 2023); Commence Phase 3 offshore Taranaki (May 2023) and Renewal of Taranaki Iwi Partnership (May 2023); Completion of Phase 3 (August 2023); and completion of any additional work (December 2023 and project close-out (Quarter 1 2024).

<sup>6</sup> During 2022/23, 11 large scale proposals were assessed after Expressions of Interest closed and a proposal was withdrawn, 3 did not meet the criteria and 8 were funded.

<sup>7</sup> This performance result is not available. Obtaining approval from the Ethics Committee and other approvals from households will need to be completed before households can be recruited. The recruitment process has been delayed. The Ministry is working on continuous improvement to address these gaps including ongoing review on this measure to better reflect rate of activities for 2023/24.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<p><i>Provision of funding for purchase of renewable energy solutions</i></p> <p>This category is intended to achieve the improvement of energy affordability through the provision of grants to non-government Māori organisations and communities to deploy renewable energy solutions on Māori Housing.</p>	Number of Māori organisations and communities recruited for the evaluation	At least 100	N/A <sup>8</sup>	New Measure for 2022/23
<p><i>Equity Investments</i></p> <p>This category is intended to achieve the improvement of energy affordability through the procurement of renewable energy capital assets on government owned housing.</p>	Percentage of houses surveyed where the electricity bill reduced as a result of renewable energy technology installed	At least 90% of houses surveyed/evaluated	N/A <sup>6</sup>	New Measure for 2022/23
<p><b>Policy Advice and Related Services to Ministers MCA (Business, Science and Innovation)</b></p> <p><i>Policy Advice and Related Services to Ministers – Energy and Resources</i></p> <p>This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.</p>	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	72%	74%
	The satisfaction of the Minister of Energy and Resources with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.0 <sup>9</sup>	4.6
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	95%	94%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	95%	94%
	Parliamentary questions	95% or above	87% <sup>10</sup>	96%

8 This performance result is not available. Obtaining approval from the Ethics Committee and other approvals from households will need to be completed before households can be recruited. The recruitment process has been delayed. The Ministry is working on continuous improvement to address these gaps including ongoing review on this measure to better reflect rate of activities for 2023/24.

9 Due to the change in portfolio responsibilities, this result is based on the information from the one survey completed during 2022/23, covering the period from July to December 2022. For further information refer to the Ministerial satisfaction measures section within the Disclosure of Judgements section of this report.

10 Four hundred and ninety four of the 569 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. There was a significant improvement in the last six months with only 5 late responses during January – June 2023. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

## How Much We Spent

Actual 2021/22 \$000	Our expenditure summary	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
30,987	Departmental expenses	41,193	65,419	59,302
244,679	Non-departmental expenses	303,358	649,328	549,464
	– Departmental capital	–	–	–
6,342	Non-departmental capital	9,622	23,210	8,460
<b>282,008</b>	<b>Total expenditure for outcome</b>	<b>354,173</b>	<b>737,957</b>	<b>617,226</b>

## Our Services and Functions, Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Departmental outputs</b>					
2,531	Energy and Resources: Information Services		2,350	3,529	3,111
15,560	Energy and Resources: Management of the Crown Mineral Estate		20,209	32,903	32,980
	– Energy and Resources: Monitoring and Enforcement of an Energy and Emissions Reporting Scheme For Large Energy Users		–	–	920
1,493	Energy and Resources: Supporting Decommissioning of Oil Fields (2021–2025) – MYA		1,735	5,347	2,931
<b>19,584</b>	<b>Total departmental output expenditure</b>		<b>24,294</b>	<b>41,779</b>	<b>39,942</b>
<b>Multi-category expenses and capital expenditure</b>					
<b>3,903</b>	<b>Energy and Resources: Renewable Energy in Communities and Public and Māori housing MCA</b>		<b>7,968</b>	<b>14,778</b>	<b>12,581</b>
<i>Non-departmental output expenses</i>					
8	› Operational Support		201	843	1,107
3,895	› Provision of Funding for Purchase of Renewable Energy Solutions		7,767	10,475	8,014
<i>Non-departmental capital expenditure</i>					
–	› Equity Investments		–	3,460	3,460
<b>11,403</b>	<b>Policy Advice and Related Services to Ministers MCA</b>		<b>16,899</b>	<b>23,640</b>	<b>19,360</b>
<i>Departmental output expenses</i>					
11,403	› Policy Advice and Related Services to Ministers – Energy and Resources		16,899	23,640	19,360
<b>15,306</b>	<b>Total multi-category expenses and capital expenditure</b>		<b>24,867</b>	<b>38,418</b>	<b>31,941</b>
<b>34,890</b>	<b>Total expenditure</b>		<b>49,161</b>	<b>80,197</b>	<b>71,883</b>

## Our Services, Non-Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Non-departmental output expenses</b>					
6,135	Commerce and Consumer Affairs: Regulation of Electricity Lines Services (2019–2024) – MYA	1	6,663	8,510	8,510
3,660	Commerce and Consumer Affairs: Regulation of Gas Pipelines Services (2019–2024) – MYA	1	2,953	3,812	3,812
13,847	Energy and Resources: Advice on Viable Energy Storage Projects (2020–2025) – MYA	2	11,671	78,298	52,578
77,372	Energy and Resources: Electricity Industry Governance and Market Operations	3	92,073	97,654	95,452
48,399	Energy and Resources: Energy Efficiency and Conservation	4	66,858	68,389	67,434
5,826	Energy and Resources: Implementation of the Grant Scheme for Warm, Dry Homes (2018–2022) – MYA	4	2,536	2,536	5,070
–	Energy and Resources: Implementation of the Grant Scheme for Warm, Dry Homes (2022–2027) – MYA	4	2,385	2,385	–
3,459	Energy and Resources: Management of IEA Oil Stocks (2020–2024) – MYA	2	13,403	40,541	29,000
–	Energy and Resources: Managing the Security of New Zealand’s Electricity Supply (2022–2027) – MYA		–	1,200	1,200
–	Energy and Resources: Meeting Crown Obligations (2021–2025) – MYA		–	84,344	84,344
–	Energy and Resources: Oil Field Decommissioning	2	30	20,223	–
<b>158,698</b>	<b>Total non-departmental output expenses</b>		<b>198,572</b>	<b>407,892</b>	<b>347,400</b>
<b>Non-departmental other expenses</b>					
10,667	Energy and Resources: Accelerating Energy Efficiency and Fuel Switching in Industry (2021–2025) – MYA	4	22,634	58,115	53,550
–	Energy and Resources: Accelerating Energy Efficiency and Fuel Switching in Industry (2022–2027) – MYA	4	2,045	80,434	61,684
–	Energy and Resources: Crown Loans – Impairment of Debt		–	100	–
132	Energy and Resources: Electricity Litigation Fund	5	869	1,500	1,500
62,316	Energy and Resources: Grant Scheme for Warm, Dry Homes (2018–2022) – MYA	4	33,680	33,680	67,360
–	Energy and Resources: Grant Scheme for Warm, Dry Homes (2022–2027) – MYA	4	30,709	47,355	–
163	Energy and Resources: International Energy Agency Contribution	6	288	334	249
4,400	Energy and Resources: National New-Energy Development Centre		–	2,000	2,000
4,400	Energy and Resources: National New-Energy Development Centre (2022–2026) – MYA	2	6,593	6,600	6,600
<b>82,078</b>	<b>Total non-departmental other expenses</b>		<b>96,818</b>	<b>230,118</b>	<b>192,943</b>
<b>Non-departmental capital expenditure</b>					
3,086	Energy and Resources: Crown Energy Efficiency	4	2,834	3,500	2,000
3,256	Energy and Resources: Crown Energy Efficiency – Capital Injection	2	6,788	16,250	3,000
<b>6,342</b>	<b>Total non-departmental capital expenditure</b>		<b>9,622</b>	<b>19,750</b>	<b>5,000</b>
<b>247,118</b>	<b>Total non-departmental annual and MYA expenses</b>		<b>305,012</b>	<b>657,760</b>	<b>545,343</b>
<b>282,008</b>	<b>Total expenditure for outcome</b>		<b>354,173</b>	<b>737,957</b>	<b>617,226</b>

### Location of year-end performance information:

1. Commerce Commission in its annual report.
2. Minister of Energy and Resources in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
3. Electricity Authority in its annual report.
4. Energy Efficiency and Conservation Authority in its annual report.
5. Electricity Authority in its annual report.
6. Exemption as granted under s15D(2)(b)(iii) of the Public Finance Act 1989.

### Multi-Year Appropriation

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Commerce and Consumer Affairs: Regulation of Electricity Lines Services (2019–2024) – MYA</b>		
Original appropriation	28,311	28,311
Cumulative adjustments	10,254	10,254
Total adjusted appropriation	38,565	38,565
Cumulative actual expenditure 1 July	18,810	12,675
Current year actual expenditure	6,663	6,135
Cumulative actual expenditure 30 June	25,473	18,810
Appropriation remaining 30 June	13,092	19,755
<b>Commerce and Consumer Affairs: Regulation of Gas Pipelines Services (2019–2024) – MYA</b>		
Original appropriation	9,684	9,684
Cumulative adjustments	3,337	3,337
Total adjusted appropriation	13,021	13,021
Cumulative actual expenditure 1 July	6,041	2,381
Current year actual expenditure	2,953	3,660
Cumulative actual expenditure 30 June	8,994	6,041
Appropriation remaining 30 June	4,027	6,980
<b>Energy and Resources: Accelerating Energy Efficiency and Fuel Switching in Industry (2021–2025) – MYA</b>		
Original appropriation	69,000	69,000
Cumulative adjustments	–	25,000
Total adjusted appropriation	69,000	94,000
Cumulative actual expenditure 1 July	10,885	218
Current year actual expenditure	22,634	10,667
Cumulative actual expenditure 30 June	33,519	10,885
Appropriation remaining 30 June	35,481	83,115
<b>Energy and Resources: Accelerating Energy Efficiency and Fuel Switching in Industry (2022–2027) – MYA</b>		
Original appropriation	808,426	–
Cumulative adjustments	25,000	–
Total adjusted appropriation	833,426	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	2,045	–
Cumulative actual expenditure 30 June	2,045	–

<b>Appropriation name</b>	<b>Actual 2022/23 \$000</b>	<b>Actual 2021/22 \$000</b>
Appropriation remaining 30 June	831,381	–
<b>Energy and Resources: Advice on Viable Energy Storage Projects (2020–2025) – MYA</b>		
Original appropriation	93,085	93,085
Cumulative adjustments	(433)	(433)
Total adjusted appropriation	92,652	92,652
Cumulative actual expenditure 1 July	14,354	507
Current year actual expenditure	11,671	13,847
Cumulative actual expenditure 30 June	26,025	14,354
Appropriation remaining 30 June	66,627	78,298
<b>Energy and Resources: Grant Scheme for Warm, Dry Homes (2018–2022) – MYA</b>		
Original appropriation	132,240	132,240
Cumulative adjustments	126,150	173,505
Total adjusted appropriation	258,390	305,745
Cumulative actual expenditure 1 July	224,710	162,394
Current year actual expenditure	33,680	62,316
Cumulative actual expenditure 30 June	258,390	224,710
Appropriation remaining 30 June	–	81,035
<b>Energy and Resources: Grant Scheme for Warm, Dry Homes (2022–2027) – MYA</b>		
Original appropriation	68,000	–
Cumulative adjustments	47,355	–
Total adjusted appropriation	115,355	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	30,709	–
Cumulative actual expenditure 30 June	30,709	–
Appropriation remaining 30 June	84,646	–
<b>Energy and Resources: Implementation of the Grant Scheme for Warm, Dry Homes (2018–2022) – MYA</b>		
Original appropriation	10,260	10,260
Cumulative adjustments	6,749	9,134
Total adjusted appropriation	17,009	19,394
Cumulative actual expenditure 1 July	14,473	8,647
Current year actual expenditure	2,536	5,826
Cumulative actual expenditure 30 June	17,009	14,473
Appropriation remaining 30 June	–	4,921
<b>Energy and Resources: Implementation of the Grant Scheme for Warm, Dry Homes (2022–2027) – MYA</b>		
Original appropriation	5,118	–
Cumulative adjustments	2,385	–
Total adjusted appropriation	7,503	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	2,385	–
Cumulative actual expenditure 30 June	2,385	–
Appropriation remaining 30 June	5,118	–
<b>Energy and Resources: Management of IEA Oil Stocks (2020–2024) – MYA</b>		
Original appropriation	113,000	113,000
Cumulative adjustments	416	416
Total adjusted appropriation	113,416	113,416

<b>Appropriation name</b>	<b>Actual 2022/23 \$000</b>	<b>Actual 2021/22 \$000</b>
Cumulative actual expenditure 1 July	14,118	10,659
Current year actual expenditure	13,403	3,459
Cumulative actual expenditure 30 June	27,521	14,118
Appropriation remaining 30 June	85,895	99,298
<b>Energy and Resources: Managing the Security of New Zealand's Electricity Supply (2017–2022) – MYA</b>		
Original appropriation	–	6,000
Cumulative adjustments	–	–
Total adjusted appropriation	–	6,000
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	–	6,000
<b>Energy and Resources: Managing the Security of New Zealand's Electricity Supply (2022–2027) – MYA</b>		
Original appropriation	6,000	–
Cumulative adjustments	–	–
Total adjusted appropriation	6,000	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	6,000	–
<b>Energy and Resources: National New-Energy Development Centre (2022–2026) – MYA</b>		
Original appropriation	11,000	–
Cumulative adjustments	–	–
Total adjusted appropriation	11,000	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	6,593	–
Cumulative actual expenditure 30 June	6,593	–
Appropriation remaining 30 June	4,407	–
<b>Energy and Resources: Meeting Crown Obligations (2021–2025) – MYA</b>		
Original appropriation	84,344	84,344
Cumulative adjustments	–	–
Total adjusted appropriation	84,344	84,344
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–
Appropriation remaining 30 June	84,344	84,344
<b>Energy and Resources: Supporting Decommissioning of Oil Fields (2021–2025) – MYA</b>		
Original appropriation	9,804	9,804
Cumulative adjustments	(6)	–
Total adjusted appropriation	9,798	9,804
Cumulative actual expenditure 1 July	1,563	70
Current year actual expenditure	1,735	1,493
Cumulative actual expenditure 30 June	3,298	1,563
Appropriation remaining 30 June	6,500	8,241

# Outcome 5: A Dynamic Business Environment Fostering Innovation and International Connections

Overview				
Expenditure	Core responsibilities	In-year initiatives	Our outcomes*	Performance Measures
<b>Departmental</b> \$219 million  <b>Non-Departmental</b> \$1,601 million  <b>Streams</b> › Research, science and innovation › Technology and communications › International business growth and investment › Film production  <b>Agencies</b> › Callaghan Innovation › New Zealand Trade and Enterprise	› Investment in research, science and technology  › Improvement of digital technologies and communications  › Cyber security services  › Improving public sector procurement	› Shape of our future RSI system  › RSI funding  › Responding to climate events  › Spectrum to benefit Māori  › Digital connectivity  › National space strategy  › Airspace integration trials  › Long-term insights briefings	+ Businesses exporting  – Firms collaborating internationally  = Innovating firms  = Business R&D expenditure  – Business dynamism  + Capital intensity  = Productive capital investment  + Early stage capital investment  – Quality of FDI  N/A Ease of Doing Business survey	<b>Achieved</b> <b>29/39</b>  Milestones    20/20 Quality        0/2 Satisfaction    3/6 Timeliness     6/10 Volume         0/1
*Key: + Positive shift – Negative shift = Unchanged N/A Not Available				

## Outcome Measures

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
5.01	Increase the proportion of businesses exporting	Percentage of firms exporting	SNZ Business Operations Survey	%	Positive
<p>The percentage of firms exporting was 24.1% in the year to August 2022, compared to 21.5% in the previous year. Following two years of decline, this figure is approaching 2019 pre-COVID levels of 25.6%.</p> <p>The Business Operations Survey only captures firms with 6 or more employees. This is a sample survey. The response rate was 76.1% representing over 6,900 firms. The target response rate was 80%.</p>					
5.02	Increase in firms collaborating internationally for innovation	Percentage of firms collaborating internationally for innovation	SNZ Business Operations Survey	%	NA (no new figure for 2023)
<p>There has been no update to this measure since last reported in the 2021/22 Annual Report. The percentage of firms collaborating internationally for innovation in 2021 was 3.4%, lower than 4.3% in 2019 and the lowest it has been since data collection began in 2007.</p>					

ID	Performance Measure	Indicator	Source	Unit	2022/23 result
5.03	Increase in firms reporting innovative activity	Firm innovation rate	SNZ Business Operations Survey	%	Flat
	The latest results for this measure are from the 2021 Business Operations Survey Innovation Module (Module B). In the year to August 2021, the total innovation rate was 46%. This rate has been steady since 2017. This indicator is a measure of the proportion of businesses that innovate. Innovation is broadly defined to include the development or introduction of any new or significantly improved products, processes, and methods.				
5.04	Increased business research and development expenditure	Business expenditure on research and development as a percentage of GDP	SNZ Research & Development Survey	%	Flat
	Business expenditure on research and development as a percentage of GDP was 0.86% in 2022, a slight decline from 0.87% in 2021 and the first year without an increase since 2016. However, this stabilisation is likely to be a function of rising GDP, as the dollar value of this expenditure increased by 9% from \$2.843 billion to \$3.093 billion. Note, the 2021/22 report understated the value of expenditure on research and development as \$2 billion.				
5.05	Increase business dynamism	Average 5- year growth in employment in new businesses	SNZ Integrated Data Infrastructure (IDI)	%	Negative
	The average five-year employment growth rate for the period 2016-2021 was 26.9%, a drop from the growth rate of 30.2% <sup>1</sup> for the period 2015-2020. While there has been some volatility in this year's figure (likely due to COVID-19), the five-year average is steady at 28.3%.				
5.06	Increase capital intensity	Net capital stock per capita	SNZ National Accounts	\$	Positive
	Net capital stock per capita was \$150,500.87 in the year to March 2022, increasing 3.2% on the previous year (revised figure). While this value has been increasing steadily since 1998, it was particularly large for the year to March 2022 partly due to the significant increase in residential construction in 2021. The five-year compound annual growth rate was 1.8% for the period 2017-2022. This measure is an indicator of New Zealanders' wealth.				
5.07	Increase productive capital investment	Proportion of net capital stock that is not residential	SNZ National Accounts	%	Flat
	The proportion of net capital stock that is not residential buildings was 56.9% in the year to March 2022, this is similar to the proportion in 2021 of 56.7% (revised figure) <sup>2</sup> . This indicator has been stable for the past 10 years. This measure is an indicator of productive capital investment.				
5.08	Increase early-stage capital investment	Capital investment in early-stage companies	NZ Private Capital Monitor	\$m	Negative
	Venture and early-stage investment fell by 16% to \$319 million from \$379.8million in 2021, with two fewer transactions than 2021. 2021 was a global outlier (with New Zealand no exception) and while the 2022 figure decreased, the figure was still above the longer-term trend line. This measure was previously reported using the PWC Startup Investment Magazine but has changed to the NZ Private Capital Monitor. The new measure is a better source for early-stage capital investment as it covers all sources of investment (which is in line with Australian and global reporting).				
5.09	Improve the quality of foreign direct investment (FDI)	Potential direct economic impact (pDEI) multiplier: ratio of pDEI to total transaction value NZTE facilitates.	New Zealand Trade and Enterprise (NZTE)	Ratio of pDEI to total transaction value NZTE facilitates.	Negative
	The pDEI ratio fell to 2.75 in June 2023, from 4.0 the previous year. This value has been fluctuating between 2.6 and 4.0 since 2018. The pDEI multiplier, the ratio of pDEI to the total transaction value NZTE facilitates, is a proxy of economic impact to dollar of FDI attracted. It is estimated by NZTE to forecast the potential benefits from the investment transactions that it facilitates to the economy through increased profits in New Zealand, new jobs, higher wages and greater spend with local suppliers.				
5.10	Maintain position in the World Bank Ease of Doing Business Survey	Ease of doing business ranking	World Bank Ease of Doing Business Survey 2020	Rank	NA
	There is no update for this measure in 2022/23 as the World Bank Group is formulating a new approach to assessing the business and investment climate in economies worldwide following the discontinuation of the Doing Business project. Consideration was given to potential proxy options for this measure. There are no sufficiently comparable measures undertaken by international organisations of which New Zealand is a member. An alternative measure will be identified in our updated Strategic Intentions in 2024.				

<sup>1</sup> This figure was revised from previously published figure of 29.7%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.

<sup>2</sup> This figure has been revised up from 56.4%. Revisions of statistical data typically occur when more updated information is available or provisional data is finalised.



Achieved 29 out of 39 output performance targets

## Output Measures

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Communications: Cyber Security Services</b> This appropriation is intended to achieve the operation of a New Zealand CERT to enhance New Zealand's cyber security and resilience and help prevent cybercrime.	Percentage of incidents responded to within 4 hours of being received during operating hours (based on the conditions outlined in CERT NZ's operational policies)	90%	91%	99.4%
	Number of cyber threat landscape reports produced for public consumption	4	4	4
	Year-on-year increase in consumption of CERT NZ's content and services (measured by web traffic, social media engagement and advisory subscribers)	15%	5% <sup>3</sup>	39%
<b>Communications: Pacific Cyber Security Initiatives</b> This appropriation is intended to achieve the delivery of direct support to Pacific partners and through the Pacific Cybersecurity Operation Network (PaCSON), assist in the development of incident response capacity and cybersecurity awareness in the Pacific region, and to support cybersecurity capacity building in the Pacific, and the 'Pacific Reset.'	All deliverables are met	Achieved	Achieved	Achieved
<b>Economic Development: Implementation of Improvements in Public Sector Procurement and Services to Business</b> This appropriation is intended to achieve better public services and encourage business growth.	Annual improvement in satisfaction rating for the quality of government procurement practice from the government procurement business survey	3.15 out of 5	Not reported <sup>4</sup>	New Measure for 2022/23
	Business customers experience more coordinated and consistent services from government	CXI seamless measures increase	59 <sup>5</sup>	New Measure for 2022/23
	Percentage of participating agencies satisfied or very satisfied	70%	72% <sup>6</sup>	70%
	Savings target across public sector agencies identified through the All of Government contract for the financial year	\$175 million	\$176.1 million <sup>7</sup>	New Measure for 2022/23

<sup>3</sup> The year-end result has not met the initial performance standard as there were no large-scale cyber events which normally drive increased consumption of content and services. In 2021/22, the year-end result exceeded the initial performance standard likely due to greater public awareness of CERT NZ from major advisory releases. The functions of New Zealand's Computer Emergency Response Team (CERT NZ) have been integrated with the National Cyber Security Centre (NCSC) within the Government Communications Security Bureau (GCSB), from 31 August 2023.

<sup>4</sup> This measure is not reported as the Ministry did not conduct a survey during 2022/23 due to an internal review of the survey. A revised survey is underway and the Ministry will report survey results for 2023/24.

<sup>5</sup> This is a new measure for 2022/23. A survey conducted by Research New Zealand was used to collect result. The total sample size was 24,895, and 2,274 completed the survey with a response rate of 9.1%. The result has a margin of error ±2.5%.

<sup>6</sup> Survey Monkey was used to collect result. The total sample size was 4,652, increased by 21% as compared with 2021/22. 395 completed the survey with a response rate of 8%. The result has a margin of error ±4%.

<sup>7</sup> This result is for the first three quarters of 2022/23 only as the year-end result was not available. The fourth quarter result will be available by the end of the first quarter of 2023/24.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Public Service: Property Management within the State Sector</b> This appropriation is intended to achieve improved property management practices across government.	Annual improvement in mandated agency satisfaction rating of GPG performance	5 percentage points	-0.25 percentage points <sup>8</sup>	0 percentage points
<b>Research, Science and Innovation: Departmental administration of in-year payments loans 2022-2026</b> This appropriation is intended to achieve efficient and effective management of the In-Year Payments Loans programme.	The Research and Development Tax Incentive In-Year Payments Loans programme has been successfully established following a procurement process	Achieved	Achieved	New Measure for 2022/23
<b>Research, Science and Innovation: Innovative Partnerships</b> This appropriation is intended to achieve the attraction of overseas investment in Research and Development to New Zealand.	Percentage of annual pipeline opportunities assessed within six months	100%	100%	100%
<b>Research, Science and Innovation: National Research Information System</b> This appropriation is intended to enhance the value of the government's expenditure on research, science and innovation by providing more accessible, accurate and timely information on New Zealand's research investments.	Data infrastructure system is launched by June 2024	On track	On track	New Measure for 2022/23
	Reporting tools are developed and additional funding agencies are on-boarded by April 2024	On track	On track	New Measure for 2022/23
<b>Tourism: International Visitor Conservation and Tourism Levy Collection</b> This appropriation is intended to achieve the prompt payment of transaction fees for the International Visitor Conservation and Tourism Levy.	All bank fees incurred by the collection of the International Visitor Conservation and Tourism Levy are allocated accurately	100%	100%	100%
<b>Ministry of Business, Innovation and Employment – Capital Expenditure PLA</b> This appropriation is intended to achieve the implementation of the Ministry of Business, Innovation and Employment's capital expenditure plan.	Percentage of Ministry of Business, Innovation and Employment's projects delivered on time, scope and budget	85%	85%	88%
<b>Research, Science and Innovation: In-year payments loans</b> This appropriation is intended to achieve the increase the value of the Research and Development Tax Incentive to recipients by allowing their entitlement to be paid in the same year as the Research and Development expenditure is incurred.	The Research and Development Tax Incentive In-Year Payments Loans programme has been successfully established following a procurement process.	Achieved	Achieved	Not achieved

<sup>8</sup> The weighted average for 2022/23 year is 2.75. This was measured against data collected for the 2021/22 year where the result was 3.0. The survey response rate was 10.1% (36 responses from 357 invites) which is considered statistically invalid for the population.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Policy Advice and Related Services to Ministers MCA (Business, Science and Innovation)</b> <i>Policy Advice and Related Services to Ministers – Economic Development</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	71%	73%
	The satisfaction of the Minister for Economic Development with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.4	4.6
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	71% <sup>9</sup>	86%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	97%	98%
	Parliamentary questions	95% or above	90% <sup>10</sup>	93%
<i>Policy Advice and Related Services to Ministers – Research, Science and Innovation</i> This category is intended to achieve the provision of high quality policy advice and support to Ministers and ensure Crown entities are appropriately monitored.	Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80%	At least an average of 73%	71%	71%
	The satisfaction of the Minister of Research, Science and Innovation with the policy advice service, as per the common satisfaction survey	Average score of 4 out of 5 or better	4.5	4.3
	Ministers receive advice on entities' accountability documents within statutory timeframes	100%	100%	100%
	Percentage of requests completed within either specified or statutory timeframes:			
	Ministerial correspondence	95% or above	94%	84%
	Ministerial <i>Official Information Act 1982</i> requests	95% or above	97%	55%
	Parliamentary questions	95% or above	87% <sup>11</sup>	87%
<b>Research, Science and Innovation: Contract Management MCA</b> This appropriation is intended to achieve efficient and effective management of the science and innovation system.	Contracts are monitored through agreed reporting programmes	Achieved	Achieved	Achieved
<i>Science and Innovation Contract Management</i> This category is intended to achieve the efficient and effective allocation and contracting of research, science and technology grants to maximise their returns to New Zealand.	Contracts are monitored through agreed reporting programmes	Achieved	Achieved	Achieved
<i>Research Contract Management</i> This category is intended to achieve the efficient and effective allocation and contracting of research, science and technology grants to maximise their returns to New Zealand.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%

9 Forty of the 56 Ministerial Correspondences were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

10 Three hundred of the 334 Parliamentary Questions were sent on time. Reasons for delays varied, including system and human error. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

11 Two hundred and sixty five of the 305 Parliamentary Questions were sent on time. Reasons for delays varied, including resourcing, human error and complexity of responses. The Ministry is working on continuous improvement to address remaining gaps and meet the performance standard for 2023/24.

Vote Business, Science and Innovation		2022/23		2021/22
Appropriation	Performance measures	Target	Actual	Actual
<b>Research, Science and Innovation: Strategic Science Investment Fund MCA</b> This appropriation is intended to achieve the support of longer-term programmes of mission-led science that contribute to New Zealand's economy, environment and well-being, including the infrastructure that enables high-impact science.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Strategic Science Investment Fund – Infrastructure</i> This category is intended to achieve access for researchers to resources and information that require national-scale, nationally coordinated, multi-user financial support.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Strategic Science Investment Fund – Programmes</i> This category is intended to achieve the support of longer-term programmes of mission-led science which contribute to the future of New Zealand's economy, environment and wellbeing.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Strategic Science Investment Fund – Capital for Infrastructure</i> This category is intended to achieve access for researchers to resources and information that require national-scale, nationally-coordinated, multi-user financial support.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<b>Research, Science and Innovation: Talent and Science Promotion MCA</b> This appropriation is intended to achieve high-quality engagement between scientists and the public, contributing to the development of talented, skilled individuals and their organisations.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Fellowships for Excellence</i> This category is intended to achieve an improvement in career development opportunities for New Zealand's early to midcareer researchers.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Science in Society</i> This category is intended to achieve the increased engagement by New Zealanders with science and technology.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	100%	100%	100%
<i>Vision Mātauranga Capability Fund</i> This category is intended to achieve development of skilled people and organisations undertaking research that supporting the four themes of Vision Mātauranga.	Percentage of contracts that have been monitored and performance assessed within agreed timeframes	95%	95%	96%

## How Much We Spent

Actual 2021/22 \$000	Our expenditure summary	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
123,383	Departmental expenses	148,308	162,675	145,939
1,578,101	Non-departmental expenses	1,543,673	1,768,727	1,689,506
77,658	Departmental capital	70,300	66,665	72,978
40,535	Non-departmental capital	57,749	267,325	239,344
<b>1,819,677</b>	<b>Total expenditure for outcome</b>	<b>1,820,030</b>	<b>2,265,392</b>	<b>2,147,767</b>

## Our Services and Functions, Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Departmental outputs</b>					
7,769	Communications: Cyber Security Services		13,936	15,415	15,441
624	Communications: Pacific Cyber Security Initiatives (2020–2025) – MYA		793	1,051	800
37,592	Economic Development: Implementation of Improvements in Public Sector Procurement and Services to Business		45,589	46,259	41,507
15,396	Public Service: Property Management Services		12,906	17,221	17,221
5,630	Public Service: Property Management within the State Sector		8,832	10,506	7,220
	– Research, Science and Innovation: Departmental administration of in-year payments loans 2022-2026		563	850	850
2,969	Research, Science and Innovation: Innovative Partnerships		2,697	4,073	4,524
1,258	Research, Science and Innovation: National Research Information System		2,371	2,489	1,998
161	Tourism: International Visitor Conservation and Tourism Levy Collection		981	1,243	1,243
<b>71,399</b>	<b>Total departmental output expenditure</b>		<b>88,668</b>	<b>99,107</b>	<b>90,804</b>
<b>Departmental capital</b>					
77,658	Ministry of Business, Innovation and Employment – Capital Expenditure PLA		70,300	66,665	72,978
<b>77,658</b>	<b>Total departmental capital</b>		<b>70,300</b>	<b>66,665</b>	<b>72,978</b>
<b>Multi-category expenses and capital expenditure</b>					
<b>16,932</b>	<b>Energy and Resources: Investment in Infrastructure Projects MCA</b>	1	<b>1,710</b>	<b>34,668</b>	<b>20,121</b>
<i>Non-departmental output expenses</i>					
500	› Operational Support of Infrastructure Investments		–	–	–
<i>Non-departmental other expenses</i>					
16,000	› Capital Infrastructure Investments – Fair Value Write-down		–	–	–
	– › Capital Infrastructure Investments – Impairment of Debt and Equity Investments	2	–	1	1
432	› Grants to Support Infrastructure Investments		1,710	34,666	7,600
	– › Other Activities to Support Infrastructure Investments		–	1	1
<i>Non-departmental capital expenditure</i>					
	– › Loans and Equity Investments to Support Infrastructure Investments		–	–	12,519

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>34,372</b>	<b>Policy Advice and Related Services to Ministers MCA</b>		<b>39,825</b>	<b>43,418</b>	<b>35,689</b>
	<i>Departmental output expenses</i>				
21,763	› Policy Advice and Related Services to Ministers – Economic Development		26,926	29,293	27,019
12,609	› Policy Advice and Related Services to Ministers – Research, Science and Innovation		12,899	14,125	8,670
<b>80,186</b>	<b>Research, Science and Innovation: Callaghan Innovation – Operations MCA</b>	<b>3</b>	<b>81,240</b>	<b>86,240</b>	<b>81,240</b>
	<i>Non-departmental output expenses</i>				
35,318	› Building Business Innovation		40,685	45,685	40,685
7,750	› Business Research and Development Contract Management		7,750	7,750	7,750
–	› R&D Short-term Loan Scheme Subsequent Impairment of Loans		–	–	–
37,118	› Research and Development Services and Facilities for Business and Industry		32,805	32,805	32,805
<b>28,222</b>	<b>Research, Science and Innovation: Contract Management MCA</b>		<b>30,501</b>	<b>30,871</b>	<b>30,119</b>
	<i>Departmental output expenses</i>				
17,612	› Science and Innovation Contract Management		19,815	20,150	19,446
	<i>Non-departmental output expenses</i>				
10,610	› Research Contract Management		10,686	10,721	10,673
<b>322,070</b>	<b>Research, Science and Innovation: Strategic Science Investment Fund MCA</b>		<b>346,626</b>	<b>353,662</b>	<b>362,588</b>
	<i>Non-departmental output expenses</i>				
59,317	› Strategic Science Investment Fund – Infrastructure		64,841	69,726	77,652
262,253	› Strategic Science Investment Fund – Programmes		277,685	279,836	280,836
	<i>Non-departmental capital expenditure</i>				
500	› Strategic Science Investment Fund – Capital for Infrastructure		4,100	4,100	4,100
–	<b>Research, Science and Innovation: Targeted Business Research and Development Funding MCA</b>	<b>3</b>	<b>30,344</b>	<b>84,635</b>	<b>37,500</b>
	<i>Non-departmental output expenses</i>				
–	› New to R&D Grant		307	36,500	22,500
–	› R&D Project Grant	<b>4</b>	16,083	27,610	–
–	› Student Grant		13,954	20,525	15,000
<b>27,737</b>	<b>Research, Science and Innovation: Talent and Science Promotion MCA</b>		<b>44,408</b>	<b>46,253</b>	<b>29,901</b>
	<i>Non-departmental output expenses</i>				
10,548	› Fellowships for Excellence		26,128	26,130	10,570
10,430	› Science in Society		8,235	9,848	11,849
5,759	› Vision Mātauranga Capability Fund		5,752	5,982	5,982
	<i>Non-departmental other expenses</i>				
500	› Expanding the Impact of Vision Mātauranga – Talent and Navigation	<b>4</b>	1,400	1,400	1,000
500	› Royal Society of New Zealand	<b>4</b>	2,893	2,893	500

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
750	<b>Economic Development: Development of Early Stage Capital Markets MCA</b>		750	750	750
	<i>Non-departmental output expenses</i>				
750	› Investment Fund Management	4	750	740	740
	<i>Non-departmental capital expenditure</i>				
–	› Aspire NZ Seed Fund	4	–	10	10
<b>59,490</b>	<b>Support New Market Opportunities to Grow Firms and Sectors for the Benefit of New Zealand MCA</b>	5	<b>34,824</b>	<b>43,934</b>	<b>61,231</b>
	<i>Non-departmental other expenses</i>				
58,763	› International Growth Fund		34,046	42,730	60,027
727	› Sector Strategies and Facilitation		778	1,204	1,204
<b>251,358</b>	<b>Support the Growth and Development of New Zealand Firms, Sectors and Regions MCA</b>	5	<b>198,122</b>	<b>199,102</b>	<b>197,936</b>
	<i>Non-departmental output expenses</i>				
6,086	› Collaborative Activity and Special Events		6,086	6,086	4,920
182,104	› International Business Growth Services		179,144	179,144	179,144
63,168	› Services to Support the Growth and Development of New Zealand Businesses		12,892	13,872	13,872
<b>821,117</b>	<b>Total multi-category expenses and capital expenditure</b>		<b>808,350</b>	<b>923,533</b>	<b>857,075</b>
<b>970,174</b>	<b>Total expenditure</b>		<b>967,318</b>	<b>1,089,305</b>	<b>1,020,857</b>

## Our Services, Non-Departmental

Actual 2021/22 \$000	Appropriation name	Location of year-end performance information	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
<b>Non-departmental output expenses</b>					
	– Research and Development Growth Grants		–	–	79,893
	– Research and Development Growth Grants (2017–2022) – MYA		–	–	–
250	Research, Science and Innovation: Embedding International Talent in the New Zealand Innovation Ecosystem	2	750	750	750
224,769	Research, Science and Innovation: Endeavour Fund	6	225,311	230,257	230,257
106,987	Research, Science and Innovation: Health Research Fund	6	112,915	127,991	127,489
78,545	Research, Science and Innovation: Marsden Fund	6	78,545	78,545	78,545
8,567	Research, Science and Innovation: National Measurement Standards	3	8,986	8,986	11,789
97,062	Research, Science and Innovation: National Science Challenges (2019–2024) – MYA	6	74,045	74,046	74,045
	– Research, Science and Innovation: Non-departmental administration of in-year payments loans 2022-2026	2	60	600	600
28,867	Research, Science and Innovation: Partnered Research Fund	6	22,937	30,509	27,888
16,297	Research, Science and Innovation: Repayable Grants for Start-Ups	3	12,862	30,045	20,746
	– Research, Science and Innovation: Transitional Support to Research and Development Performing Businesses	3	8,339	38,000	28,500
52,000	Targeted Business Research and Development Funding (2017–2022) – MYA		–	–	–
14,773	Tourism: Strategic Tourism Assets Protection Programme		–	–	–
<b>628,117</b>	<b>Total non-departmental output expenses</b>		<b>544,750</b>	<b>619,729</b>	<b>680,502</b>
<b>Non-departmental other expenses</b>					
1,300	Economic Development: Attracting International Screen Productions	7	1,300	1,300	1,300
	– Economic Development: International Growth Fund (2022-2027) – MYA	5	12,543	14,957	–
1,617	Economic Development: International Subscriptions and Memberships	2	1,694	1,760	1,760
140,440	Economic Development: New Zealand Screen Production Grant – International MYA (2021–2026) – MYA	8	178,053	57,346	51,056
27,870	Research, Science and Innovation: Catalyst Fund	6	19,750	43,751	45,251
	– Research, Science and Innovation: Innovation Development Grant	3	5,017	25,000	16,800
1,602	Research, Science and Innovation: Innovative Partnerships Strategic Facilitation Fund	6	4,445	11,398	4,500
	– Research, Science and Innovation: In-year payments fair value write-down and impairment – MYA		–	86,880	80,525
8,522	Research, Science and Innovation: Regional Research Institutes	6	7,801	7,801	7,801
	– Sport and Recreation: 2023 FIFA Women's World Cup – MYA	9	23,710	42,950	14,700
<b>181,351</b>	<b>Total non-departmental other expenses</b>		<b>254,313</b>	<b>293,143</b>	<b>223,693</b>
<b>Non-departmental capital expenditure</b>					
25,035	Research, Science and Innovation: Callaghan Innovation	3	21,340	21,340	21,340
15,000	Research, Science and Innovation: COVID-19: AgResearch Lincoln Facility Development – MYA	6	30,000	30,000	30,000
	– Research, Science and Innovation: In-year payments loans – MYA	6	2,309	211,875	171,375
<b>40,035</b>	<b>Total non-departmental capital expenditure</b>		<b>53,649</b>	<b>263,215</b>	<b>222,715</b>
<b>849,503</b>	<b>Total non-departmental annual and MYA expenses</b>		<b>852,712</b>	<b>1,176,087</b>	<b>1,126,910</b>
<b>1,819,677</b>	<b>Total expenditure for outcome</b>		<b>1,820,030</b>	<b>2,265,392</b>	<b>2,147,767</b>

### Location of year-end performance information:

1. Energy Efficiency and Conservation Authority in its annual report.
2. Exemption was granted under s15D(2)(b)(iii) of the Public Finance Act 1989.
3. Callaghan Innovation in its Annual Report.
4. Exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989.
5. New Zealand Trade and Enterprise's Annual Report.
6. Minister of Research, Science and Innovation in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
7. New Zealand Film Commission Annual Report.
8. Minister for Economic Development in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.
9. Minister for Sport and Recreation in the Vote Business, Science and Innovation Non-Departmental Appropriations Report.

### Multi-Year Appropriation

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
<b>Communications: Pacific Cyber Security Initiatives (2020–2025) – MYA</b>		
Original appropriation	604	604
Cumulative adjustments	1,288	1,289
Total adjusted appropriation	1,892	1,893
Cumulative actual expenditure 1 July	841	217
Current year actual expenditure	793	624
Cumulative actual expenditure 30 June	1,634	841
Appropriation remaining 30 June	258	1,052
<b>Economic Development: International Growth Fund (2022–2027) – MYA</b>		
Original appropriation	175,146	–
Cumulative adjustments	–	–
Total adjusted appropriation	175,146	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	12,543	–
Cumulative actual expenditure 30 June	12,543	–
Appropriation remaining 30 June	162,603	–
<b>Economic and Regional Development: 2023 FIFA Women's World Cup (2020–2024) – MYA</b>		
Original appropriation	–	24,600
Cumulative adjustments	–	(24,600)
Total adjusted appropriation	–	–
Cumulative actual expenditure 1 July	–	–
Current year actual expenditure	–	–
Cumulative actual expenditure 30 June	–	–

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
Appropriation remaining 30 June	-	-
<b>Economic Development: New Zealand Screen Production Grant – International MYA (2021–2026) – MYA</b>		
Original appropriation	391,930	391,930
Cumulative adjustments	-	-
Total adjusted appropriation	391,930	391,930
Cumulative actual expenditure 1 July	140,440	-
Current year actual expenditure	178,053	140,440
Cumulative actual expenditure 30 June	318,493	140,440
Appropriation remaining 30 June	73,437	251,490
<b>Research and Development Growth Grants (2017–2022) – MYA</b>		
Original appropriation	-	802,860
Cumulative adjustments	-	(85,751)
Total adjusted appropriation	-	717,109
Cumulative actual expenditure 1 July	-	715,898
Current year actual expenditure	-	-
Cumulative actual expenditure 30 June	-	715,898
Appropriation remaining 30 June	-	1,211
<b>Research, Science and Innovation: In-year payments loans – MYA</b>		
Original appropriation	583,500	-
Cumulative adjustments	-	-
Total adjusted appropriation	583,500	-
Cumulative actual expenditure 1 July	-	-
Current year actual expenditure	2,309	-
Cumulative actual expenditure 30 June	2,309	-
Appropriation remaining 30 June	581,191	-
<b>Research, Science and Innovation: National Science Challenges (2019–2024) – MYA</b>		
Original appropriation	470,175	470,175
Cumulative adjustments	(47,674)	(47,674)
Total adjusted appropriation	422,501	422,501
Cumulative actual expenditure 1 July	284,121	187,059
Current year actual expenditure	74,045	97,062
Cumulative actual expenditure 30 June	358,166	284,121
Appropriation remaining 30 June	64,335	138,380
<b>Sport and Recreation: 2023 FIFA Women's World Cup – MYA</b>		
Original appropriation	39,100	-
Cumulative adjustments	7,050	-
Total adjusted appropriation	46,150	-
Cumulative actual expenditure 1 July	-	-
Current year actual expenditure	23,710	-
Cumulative actual expenditure 30 June	23,710	-

Appropriation name	Actual 2022/23 \$000	Actual 2021/22 \$000
Appropriation remaining 30 June	22,440	–
<b>Targeted Business Research and Development Funding (2017–2022) – MYA</b>		
Original appropriation	–	187,500
Cumulative adjustments	–	74,835
Total adjusted appropriation	–	262,335
Cumulative actual expenditure 1 July	–	147,990
Current year actual expenditure	–	52,000
Cumulative actual expenditure 30 June	–	199,990
Appropriation remaining 30 June	–	62,345

### Policy Advice and Related Services to Ministers MCA, Vote Business, Science and Innovation

Actual 2021/22 \$000	Appropriation name	Actual 2022/23 \$000	Supplementary Estimates 2022/23 \$000	Main Estimates 2022/23 \$000
	<b>Policy Advice and Related Services to Ministers MCA – Vote Business, Science and Innovation</b>			
	Departmental output expenses			
796	› Investigative Services – Trade Remedies	586	570	574
11,632	› Policy Advice and Related Services to Ministers – Commerce and Consumer Affairs	13,805	15,510	15,068
6,888	› Policy Advice and Related Services to Ministers – Communications	6,059	6,013	5,908
21,763	› Policy Advice and Related Services to Ministers – Economic Development	26,926	29,293	27,019
11,403	› Policy Advice and Related Services to Ministers – Energy and Resources	16,899	23,640	19,360
12,609	› Policy Advice and Related Services to Ministers – Research, Science and Innovation	12,899	14,125	8,670
2,245	› Policy Advice and Related Services to Ministers – Small Business	2,654	2,290	2,071
8,789	› Policy Advice and Related Services to Ministers – Tourism	8,167	5,362	5,044
<b>76,125</b>	<b>Total Policy Advice and Related Services to Ministers MCA – Vote Business, Science and Innovation</b>	<b>87,995</b>	<b>96,803</b>	<b>83,714</b>

## Asset Performance Indicators for MBIE

MBIE's assets support our ability to deliver successfully against our strategic intentions. MBIE manages two major asset portfolios of Property and Information and Communications Technology (ICT).

Asset portfolio	Asset classes within MBIE's portfolio
Property	Non-residential Buildings
ICT	Computer Hardware and Computer Software

Portfolio management is in place across MBIE asset and investment management, with three portfolios:

- › Immigration New Zealand
- › Te Whakatairanga Service Delivery/Labour, Science and Enterprise/Building Resources and Markets
- › Corporate

MBIE's Immigration New Zealand and Te Whakatairanga Service Delivery/Labour, Science and Enterprise/Building, Resources and Markets portfolios deliver outcomes aligned with their relevant business group strategic objectives, while the Corporate portfolio exists to manage investment in shared services across MBIE and develop ICT capability to ensure that MBIE continues to meet its legislative obligations.

Other assets have been excluded for reporting due to their lesser significance (criticality) to delivering our core services.

## Property Asset Performance Measures

The measures relate to staff-occupied properties and ensure that they are being well managed and heading towards achieving the targets.

Measure	Indicator	2022/23 Target	2022/23 Actual	2021/22 Actual
Office space utilisation per square metre per employee. The square metre per employee is a utilisation measure that helps MBIE to understand how efficiently we are using space by dividing the square metres by the number of employees. Customer-facing space is excluded from this calculation. We also use this figure to help project space for future staff demands.	Utilisation	14.0m <sup>2</sup>	12.27m <sup>2</sup>	12,055m <sup>2</sup>
Staff office space will be above 70% New Building Standard (NBS). It is important that MBIE houses our staff in buildings that have a sufficient seismic rating. A property at 70% of NBS, which is the benchmark we have set, should preserve life, and be largely functional following a large earthquake. An earthquake that would structurally damage a building beyond 70% of NBS would likely affect the surrounding areas of the property, thus creating a red zone and therefore the building may be tenable but unable to be accessed for a period of time.	Condition	100%	81% <sup>12</sup>	81%
Staff offices with a building warrant of fitness (BWOF). A BWOF demonstrates that the property has compliant mechanical and life safety systems. Depending on the specific item (such as air conditioning), the systems need to be checked either monthly or quarterly, and then again annually by an independently qualified person. Only once all of the annual checks have been completed can a BWOF be issued.	Functionality	100%	77% <sup>13</sup>	87%

12 Three buildings occupied with NBS Rating under 70%. MBIE has exited 1 site in Invercargill (25%) currently investigating alternative options, Wellington Airport (45%) seismic strengthening works are currently underway to bring the rating up to as close as reasonably practicable to 100% NBS (IL3), Timaru (50%) small site – 1 person, looking into possible alternative location. Awaiting confirmation on NBS rating from five landlords. They are smaller sites with mostly hub/space share agreement and airports (Queenstown/Auckland).

13 7 sites were occupied as of June 2023 – with expired BWOF – MBIE has now exited one of these sites. MBIE requested updated certificates from the remaining sites and are waiting on Landlord response. Remaining sites with outstanding BWOF certificates are smaller sites with mostly hub/space share agreements. Requests have been sent for updated BWOF Certificates.

## ICT Asset Performance Measures

The measures below show that ICT services across MBIE are operationally stable and performing to, or close to, target services levels.

Measure	Indicator	2022/23 Target	2022/23 Actual	2021/22 Actual
System availability across critical business systems. Percentage service availability measured against agreed targets, measured monthly and aggregated to a full year.	Availability	99.90%	100%	99.98%
System availability across non-critical business systems. Percentage service availability measured against agreed targets, measured monthly and aggregated to a full year.	Availability	97.50%	100%	99.99%
Fault resolution performance for critical systems – Priority 1. Percentage of Priority 1 outage restorations that are within target timeframes. Priority 1 = failure of a core business service, security breach or environmental incident (eg, earthquake).	Condition	100%	100%	100%
Fault resolution performance for critical systems – Priority 2. Percentage of Priority 2 outage restorations that are within target timeframes. Priority 2 = partial failure or degradation of a core business service.	Condition	90%	99.3%	100%
ICT system warrant of fitness assessment. 100% of systems are classified as having the expected capability for the position they are in within their asset lifecycle. Systems having the expected capability must be considered to be one of the following: <ul style="list-style-type: none"> <li>› meeting requirements with some limited level of operational enhancements scheduled</li> <li>› have planned continuous improvement programme in place</li> <li>› have an end of life in line with life expectancy for the system, with a planned replacement.</li> </ul>	Functionality	100%	100% <sup>14</sup>	100%

The actual results included in the tables above have not been audited.

<sup>14</sup> 100% Immigration NZ, 100% Te Whakatairanga Service Delivery.



# OUR FINANCIAL STATEMENTS

# Financial Commentary

This section of the annual report provides a commentary on MBIE’s 2022/23 financial results and a view of our forecast financial plans for 2023/24.

This commentary compares financial performance for the year with:

- › the previous financial year, 2021/22
- › the 2022/23 budget set in May 2022 as part of the Government’s Budget. This is referred to as **Unaudited Budget**
- › the 2023/24 budget set in May 2023 as part of the Government’s Budget. This is referred to as **Unaudited Forecast**

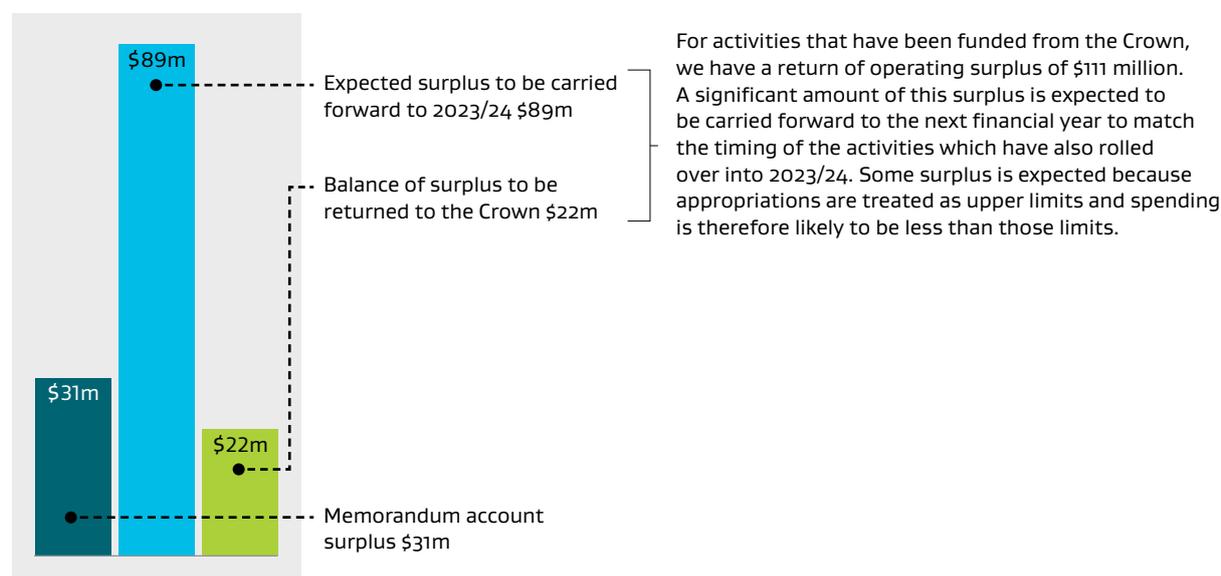
Information is also provided in this commentary on non-departmental operations, where MBIE administer activities on behalf of the Crown.

## 2022/23 Departmental Results

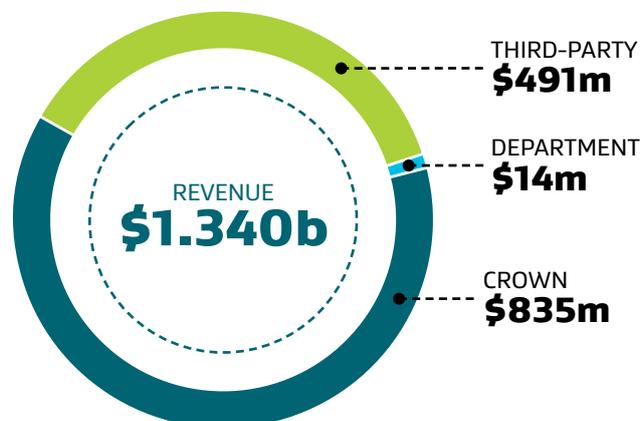
MBIE’s 2022/23 departmental activities are funded through 55 appropriations across 3 votes. In 2022/23 our revenue was \$1,340 million and our expenditure \$1,198 million. Across all our departmental activities we have incurred a net surplus of \$142 million (2022: \$43 million surplus).

Crown revenue has decreased from the prior year, largely driven by the operations for Managed Isolation and Quarantine (MIQ) facilities ceasing with the change in border regulations. Third-party revenue has however increased mainly due to the re-opening of borders to the rest of the world and the increase in immigration services. The increase in third-party revenue in conjunction with the decrease in operating costs due to the disestablishment of the MIQ facilities has contributed to the year-to-date surplus of \$142 million.

## 2022/23 Operating Results



## The Money We Receive to Fund Our Departmental Operations

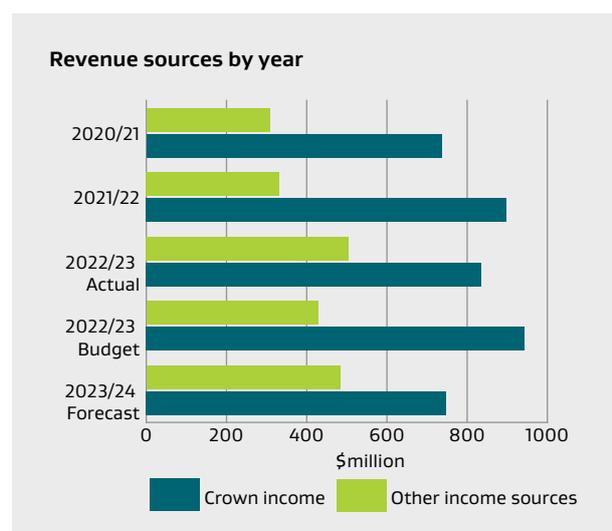


MBIE receives funding to deliver services and functions on behalf of the Government. The majority of our funding comes from the Crown and from fees and levies charged to third parties for our services.

	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Crown revenue	404,190	461,548	735,937	897,618	835,434	942,720	747,173
Third-party revenue	408,472	408,399	287,965	387,474	490,748	404,366	459,481
Department revenue	25,502	16,696	19,959	18,807	13,961	23,793	24,106
<b>Total revenue</b>	<b>838,164</b>	<b>886,643</b>	<b>1,043,861</b>	<b>1,303,899</b>	<b>1,340,143</b>	<b>1,370,879</b>	<b>1,230,760</b>

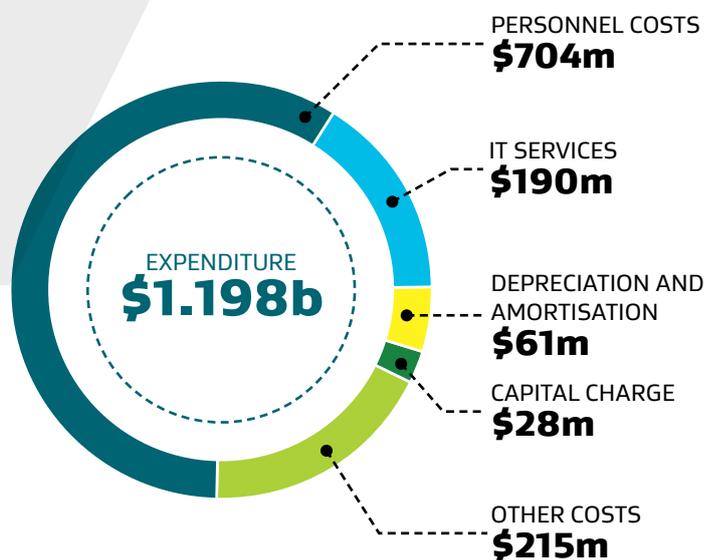
In 2022/23 our total revenue was \$36 million more than 2021/22, mainly due to the increase in immigration services with the borders fully re-opened to the rest of the world.

Crown revenue was \$62 million less than 2021/22 and \$107 million less than the 2022/23 Budget. This is mainly driven by the disestablishment of MIQ facilities and the subsequent decrease in required Crown funding.



Third-party and department revenue was \$98 million greater than 2021/22 and \$77 million greater than the 2022/23 Budget. The increase from 2021/22 was due to the increase in immigration services as a result of the re-opening of the New Zealand border to the rest of the world and the subsequent increase in Visa application volumes.

## How We Spent the Funding We Received for Our Departmental Operations



About three quarters of our total costs relate to personnel costs and IT services.

	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Personnel costs	456,787	540,255	590,455	703,127	704,103	724,754	713,233
IT costs	115,806	136,590	142,902	166,243	190,358	192,253	192,253
Depreciation, amortisation and impairment	50,490	54,822	86,116	75,720	60,503	53,215	61,751
Capital charge	16,580	20,418	23,258	23,216	27,971	26,478	30,964
Other operating costs	174,542	178,826	262,222	292,726	214,845	328,793	214,667
<b>Total expenditure</b>	<b>814,205</b>	<b>930,911</b>	<b>1,104,953</b>	<b>1,261,032</b>	<b>1,197,780</b>	<b>1,325,493</b>	<b>1,212,868</b>

In 2022/23 we spent \$1,198 million as a department, \$63 million less than 2021/22 and \$128 million less than the 2022/23 Budget. This is mainly due to the costs associated with the closure of MIQ facilities. Personnel and IT costs make up most of our expenditure and have increased as a proportion of our total expenditure from last year driven by the labour market conditions. Depreciation, amortisation, and impairment is \$15 million less than 2021/22 at \$61 million, due to the impact from the prior year change in the accounting policy for Software-as-a-Service ("SaaS") arrangements.

## The Memorandum Accounts We Administer

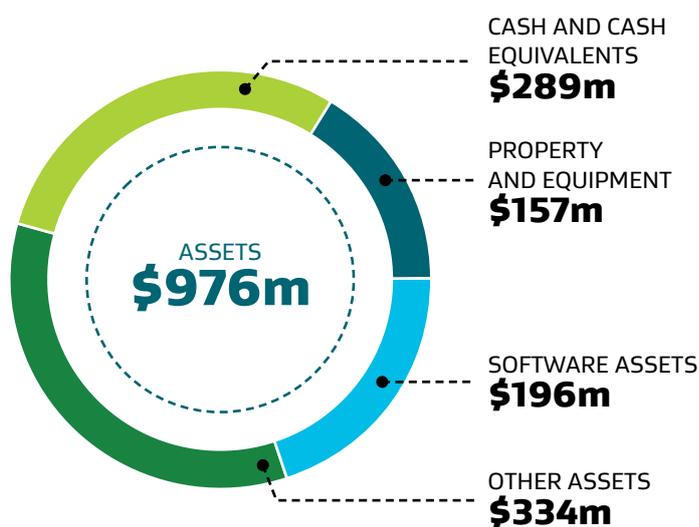
	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Immigration visa	(65,123)	(127,137)	(79,226)	(108,887)	48,663	(271,993)	12,765
Building controls	55,548	56,327	57,019	66,184	71,590	58,901	65,346
Registration and granting of intellectual property rights	31,181	30,060	28,762	26,510	22,809	15,272	15,193
Other memorandum accounts	45,645	32,806	36,800	25,450	37,267	(10,111)	10,718
<b>Memorandum account balance at 30 June</b>	<b>67,251</b>	<b>(7,944)</b>	<b>43,355</b>	<b>9,257</b>	<b>180,329</b>	<b>(207,931)</b>	<b>104,022</b>

Memorandum accounts record the cumulative surplus or deficit of MBIE services that are intended to be fully cost recovered from third parties through fees, levies or other charges. Memorandum accounts provide transparency around these services, and in the long term, the balance of each memorandum account is expected to trend towards zero.

In 2022/23 MBIE administered 14 (2021/22: 14) memorandum accounts.

The overall memorandum account balance at 30 June 2023 was a \$180 million surplus (2021/22: \$9 million surplus). This year's surplus was mainly due to the \$129 million capital injections in the immigration visa memorandum account to write off accumulated deficits and additional revenue of \$74 million from the 2021/22 year which was reclassified from revenue in advance due to a change in accounting policy (please refer to Note 2 for further details). Immigration visa revenue has increased due to increasing demand for visa categories with the New Zealand border fully re-opened in August 2022.

## The Departmental Assets We Manage to Support Our Operations

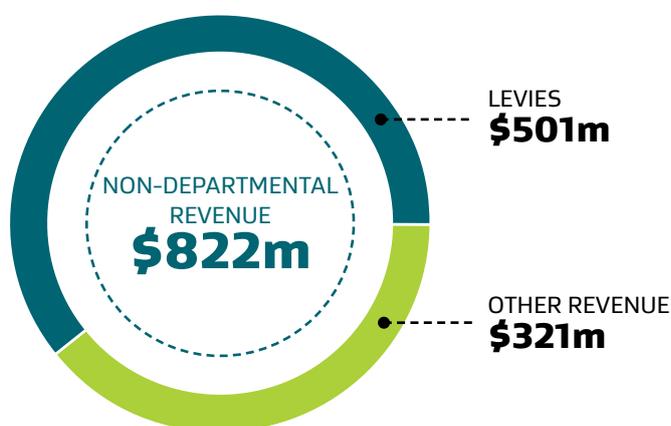


	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Cash and cash equivalents	115,285	140,710	178,512	249,284	289,388	120,596	159,856
Property and equipment	110,977	134,941	139,475	147,396	156,091	147,154	137,050
Software assets	216,880	233,329	191,603	188,191	196,227	107,005	208,191
Other assets	111,480	83,362	237,287	345,769	333,964	387,287	332,255
<b>Total assets</b>	<b>554,622</b>	<b>592,342</b>	<b>746,877</b>	<b>930,640</b>	<b>975,670</b>	<b>762,042</b>	<b>837,352</b>
<b>Capital expenditure</b>	<b>74,484</b>	<b>98,562</b>	<b>78,206</b>	<b>77,658</b>	<b>70,300</b>	<b>72,978</b>	<b>66,665</b>

MBIE manages \$976 million of departmental assets. Software assets and property and equipment represent over a third of our assets. Software assets are the systems used to support the operation of MBIE and the services provided. Most of the software is developed internally rather than purchased. Our property and equipment are the land, buildings, leasehold improvements, furniture and fittings, vehicles and computer hardware we use in our daily operations. Most of the other assets we control relate to debtors and other receivables due to us.

Cash and cash equivalents are \$40 million higher than the prior year and \$169 million higher than the 2022/23 Budget due to the timing of returning unused cash back to the Crown. This is reflected in other assets which is mainly due to Crown funding not yet drawn down. Due to holding sufficient cash, reductions in discretionary expenditure and timing of expenditure, less funds have been required to be drawn down.

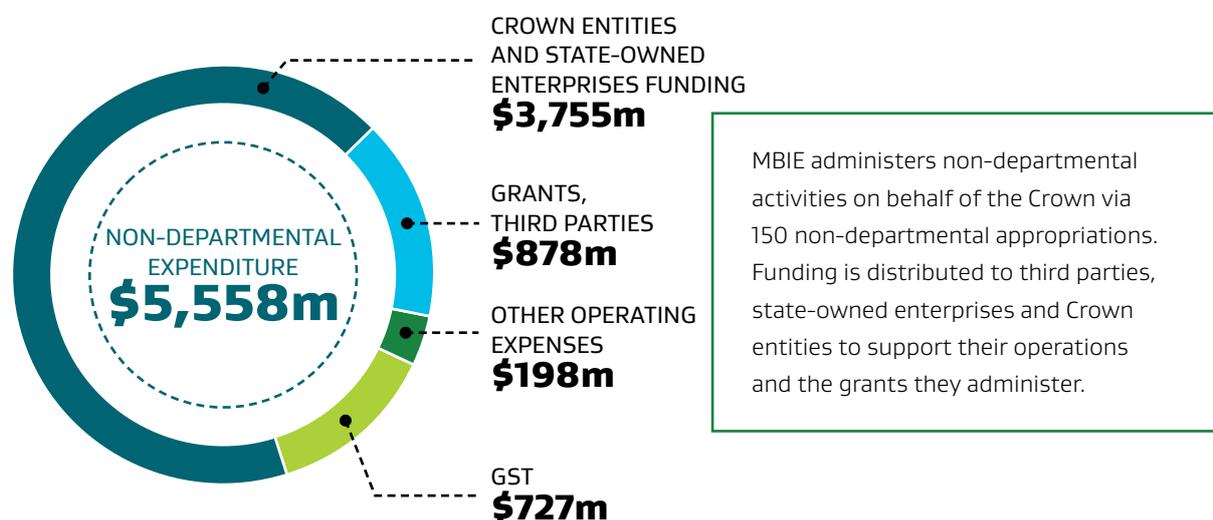
### The Non-Departmental Revenue We Received on Behalf of the Crown



	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Levies	459,719	374,444	348,155	434,069	501,056	451,937	491,438
Managed Isolation and Quarantine fees	-	-	123,812	72,658	-	-	-
Other revenue	357,188	300,965	273,435	434,016	321,120	261,277	293,586
<b>Total non-departmental revenue</b>	<b>816,907</b>	<b>675,409</b>	<b>745,402</b>	<b>940,743</b>	<b>822,176</b>	<b>713,214</b>	<b>785,024</b>

Non-departmental revenue for 2022/23 was \$119 million less than 2021/22, mainly due to a one-off Criminal proceeds (recovery) receipt in the 2021/22 year. Revenue was \$109 million greater than the 2022/23 Budget due to receiving more revenue from levies than expected. Revenue from the International visitor levy increased as a result of the re-opening of the New Zealand border. Revenue from other levies was also greater as the market recovered faster from the effects of the pandemic than anticipated.

## The Non-Departmental Expenditure We Administer on Behalf of the Crown



	Actual 2019 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
Grants and operating expenses – Crown entities and state-owned enterprises	2,927,341	3,179,681	3,814,852	3,642,609	3,754,799	3,825,364	4,075,421
Grants – third parties	584,986	771,504	1,302,717	1,021,509	878,771	1,143,911	854,161
Other operating expenses	272,182	251,783	811,928	772,552	198,298	389,647	508,751
GST	501,378	586,383	822,527	800,909	726,569	723,454	814,851
<b>Total non-departmental expenditure</b>	<b>4,285,887</b>	<b>4,789,351</b>	<b>6,752,024</b>	<b>6,237,579</b>	<b>5,558,437</b>	<b>6,082,376</b>	<b>6,253,184</b>

Our non-departmental expenditure was \$679 million lower than 2021/22 and \$524 million lower than the 2022/23 Budget. The drop in expenditure from the prior year is largely driven by the closure of MIQ facilities and the winding down of its operations.

# Statement of Management Responsibility

I am responsible, as Chief Executive of the Ministry of Business, Innovation and Employment (MBIE) for:

- › the preparation of MBIE's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them;
- › having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- › ensuring that end-of-year performance information on each appropriation administered by MBIE is provided in accordance with sections 19A to 19C of the *Public Finance Act 1989*, whether or not that information is included in this annual report, and;
- › the accuracy of any end-of-year performance information prepared by MBIE, whether or not that information is included in the annual report.

In my opinion:

- › the annual report fairly reflects the operations, progress, and the organisational health and capability of MBIE;
- › the financial statements fairly reflect the financial position of MBIE as at 30 June 2023 and its operations for the year ended on that date;
- › the forecast financial statements fairly reflect the forecast financial position of MBIE as at 30 June 2024 and its operations for the year ending on that date, and;
- › the financial statements in appendix 1 fairly reflect the financial position of the Residential Tenancies Trust Account as at 30 June 2023 and its operations for the year ended on that date.



**Carolyn Tremain**

Te Tumu Whakarae mō Hīkina Whakatutuki

Secretary for Business, Innovation & Employment and  
Chief Executive

2 October 2023

# Independent Auditor's Report



To the readers of the Ministry of Business, Innovation and Employment's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of the Ministry of Business, Innovation and Employment (the Ministry). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- › the financial statements of the Ministry pages 151 to 192, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- › the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023 on pages 30 to 49, 67 to 80; 89 to 95; 99 to 107; 115 to 117 and 123 to 128;
- › the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2023 on pages 73, 81 to 88, 96 to 98, 108 to 114, 118 to 122, 129 to 135 and 219;
- › the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 193 to 218 and 230 to 231 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
  - the schedules of expenses; and revenue for the year ended 30 June 2023;
  - the statement of trust monies for the year ended 30 June 2023; and
  - the notes to the schedules that include accounting policies and other explanatory information.

## Opinion

### **Unmodified opinion on the financial statements, statements of expenses and capital expenditure and schedules of non-departmental activities**

In our opinion:

- › the financial statements of the Ministry:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; and
    - its financial performance and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- › the statements of expenses and capital expenditure of the Ministry are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- › the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
  - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023; and
  - expenses; and revenue for the year ended 30 June 2023; and
  - the statement of trust monies for the year ended 30 June 2023.

## Qualified opinion on performance information

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion* section of our report, the performance information for the appropriations administered by the Ministry for the year ended 30 June 2023:

- › presents fairly, in all material respects:
  - what has been achieved with the appropriation; and
  - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
- › complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

## Basis for our opinion

**Performance information: Our work was limited because the methodology and underlying processes supporting the Temporary Accommodation Services survey were not sufficiently robust**

The Ministry is responsible for providing Temporary Accommodation Services to people displaced by a civil emergency. The Ministry undertook a survey of users who have been placed into Temporary Accommodation during the year. The results of this survey are reported

in three satisfaction measures on page 75 of the annual report. We were unable to obtain sufficient appropriate audit evidence that the Ministry's reporting against these measures is materially correctly stated because the methodology and underlying processes supporting the survey results were not sufficiently robust. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for the affected measures.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions**

The Ministry has chosen to include a measure of greenhouse gas (GHG) emissions in its performance information. Without further modifying our opinion and considering the public interest in climate change related information, we draw attention to page 115 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emission factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

## **Responsibilities of the Chief Executive for the information to be audited**

The Chief Executive is responsible on behalf of the Ministry for preparing:

- › financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- › performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- › statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- › schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

## **Responsibilities of the auditor for the information to be audited**

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's strategic intentions, Estimates of Appropriation and Supplementary Estimates of Appropriation 2022/23, and the 2022/23 forecast financial figures included in the Ministry's 2021/22 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- › We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- › We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- › We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- › We evaluate the appropriateness of the reported performance information for the appropriations administered by the Ministry.
- › We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- › We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 2 to 29, 50 to 66, 136 to 150, 220 to 229, and 232 to 251, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out an assurance engagement over the managed detection and response tender during the year which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the Ministry.



Clint Ramoo

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
<b>Revenue</b>					
897,618	Crown		835,434	942,720	747,173
387,451	Other revenue	3	490,666	404,313	459,481
18,807	Department		13,961	23,793	24,106
23	Finance income		82	53	–
1,303,899	<b>Total revenue</b>		1,340,143	1,370,879	1,230,760
<b>Expenditure</b>					
703,127	Personnel costs	4	704,103	724,754	713,233
286,138	Other operating expenses	5	215,341	327,272	209,109
166,243	IT costs and technical support		190,358	192,253	192,253
75,720	Depreciation, amortisation and impairment	8, 9	60,503	53,215	61,751
23,216	Capital charge	7	27,971	26,478	30,964
6,588	Restructuring costs		(496)	1,521	5,558
1,261,032	<b>Total expenditure</b>		1,197,780	1,325,493	1,212,868
42,867	<b>Net (deficit)/surplus</b>		142,363	45,386	17,892
<b>Other comprehensive revenue and expense</b>					
5,893	Gain on revaluation of property and equipment		7,124	–	–
48,760	<b>Total comprehensive revenue and expense</b>		149,487	45,386	17,892

Explanations of major variances against Budget can be found in the relevant notes.

The accompanying notes form part of these financial statements.

## Statement of Financial Position

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
<b>Assets</b>					
<b>Current assets</b>					
249,284	Cash and cash equivalents	16	289,388	120,596	159,856
334,906	Debtors and other receivables	10	322,836	379,273	324,597
7,658	Prepayments		9,466	8,014	7,658
1,514	Non-current assets held for sale	8	–	–	–
593,362	<b>Total current assets</b>		621,690	507,883	492,111
<b>Non-current assets</b>					
1,691	Debtors and other receivables	10	1,662	–	–
147,396	Property and equipment	8	156,091	147,154	137,050
188,191	Intangible assets	9	196,227	107,005	208,191
337,278	<b>Total non-current assets</b>		353,980	254,159	345,241
930,640	<b>Total assets</b>		975,670	762,042	837,352
<b>Liabilities</b>					
<b>Current liabilities</b>					
78,355	Creditors and other payables	11	75,179	57,518	78,355
9,954	Unearned income	12	5,045	17,587	13,890
144,881	Return of operating surplus	13	111,275	129,576	20,392
41,494	Provisions	14	10,867	12,128	41,494
77,760	Employee entitlements	15	66,011	74,330	77,760
352,444	<b>Total current liabilities</b>		268,377	291,139	231,891
<b>Non-current liabilities</b>					
2,670	Provisions	14	2,187	2,719	2,670
5,700	Employee entitlements	15	6,691	5,967	5,700
8,370	<b>Total non-current liabilities</b>		8,878	8,686	8,370
360,814	<b>Total liabilities</b>		277,255	299,825	240,261
569,826	<b>Net assets</b>		698,415	462,217	597,091
<b>Equity</b>					
533,727	Taxpayers' funds	17	484,120	649,199	466,227
9,257	Memorandum accounts	17	180,329	(207,931)	104,022
26,842	Property revaluation reserves	17	33,966	20,949	26,842
569,826	<b>Total equity</b>		698,415	462,217	597,091

Explanations of major variances against Budget can be found in the relevant notes.

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
445,476	<b>Balance at 1 July</b>		569,826	491,656	576,861
42,867	Net (deficit)/surplus		142,363	45,386	17,892
220,496	Capital injections	17	85,971	54,751	22,730
(144,881)	Return of operating surplus to the Crown	13	(111,275)	(129,576)	(20,392)
5,893	Gain on revaluation of property		7,124	–	–
(25)	Capital withdrawal		–	–	–
–	Other movement		4,406	–	–
569,826	<b>Balance at 30 June</b>		698,415	462,217	597,091

## Statement of Cash Flows

For the year ended 30 June 2023

Actual 2022 \$000			Actual 2023 \$000	Unaudited Budget 2023 \$000	Unaudited Forecast 2024 \$000
	<b>Cash flows from operating activities</b>				
784,315	Receipts from the Crown		846,438	912,720	749,173
404,649	Receipts from other revenue		499,880	427,729	478,027
(428,314)	Payments to suppliers		(409,640)	(517,595)	(400,072)
(678,709)	Payments to employees		(739,228)	(725,874)	(718,244)
(23,216)	Payments for capital charge		(27,971)	(26,478)	(30,964)
(414)	Goods and services tax (net)		(295)	–	–
58,311	<b>Net cash flows from operating activities</b>		169,184	70,502	77,920
	<b>Cash flows from investing activities</b>				
50	Receipts from sale of property and equipment		153	–	–
(25,104)	Purchase of property and equipment		(21,242)	(22,978)	(16,665)
(52,520)	Purchase of intangible assets		(49,051)	(50,000)	(50,000)
(77,574)	<b>Net cash flows from investing activities</b>		(70,140)	(72,978)	(66,665)
	<b>Cash flows from financing activities</b>				
220,496	Capital injections		85,971	54,751	22,730
(131,152)	Return of operating surplus		(144,881)	(58,532)	(28,479)
89,344	<b>Net cash flows from financing activities</b>		(58,910)	(3,781)	(5,749)
70,081	Net increase/(decrease) in cash and cash equivalents		40,134	(6,257)	5,506
178,512	Cash and cash equivalents at the beginning of the year		249,284	128,754	155,627
691	Effect of foreign exchange movements on cash balances		(30)	(1,901)	(1,277)
249,284	<b>Cash and cash equivalents at the end of the year</b>		289,388	120,596	159,856

Explanations of major variances against Budget can be found in the relevant notes.

The accompanying notes form part of these financial statements.

## Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
42,867	<b>Net surplus</b>	142,363
	<b>Add/(less) non-cash items</b>	
75,720	Depreciation, amortisation and impairment	60,503
(891)	Other non-cash items	1,514
74,829	<b>Total non-cash items</b>	62,017
	<b>Add/(less) non-operating activities</b>	
(691)	Net other (gains)/losses	219
2,590	Net loss on sale of property and equipment	(153)
1,899	<b>Total non-operating activities</b>	66
	<b>Add/(less) movements in working capital</b>	
356	(Increase)/decrease in prepayments	(1,808)
(107,324)	(Increase)/decrease in debtors and receivables	12,099
20,837	Increase/(decrease) in creditors and payables	(3,182)
(7,633)	Increase/(decrease) in unearned income	(4,909)
29,317	Increase/(decrease) in provisions	(31,110)
3,163	Increase/(decrease) in employee entitlements	(6,352)
(61,284)	<b>Total movements in working capital</b>	(35,262)
58,311	<b>Net cash flows from operating activities</b>	169,184

## Statement of Commitments

As at 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
	<b>Capital commitments</b>	
16,459	Software	12,023
16,459	<b>Total capital commitments</b>	12,023
	<b>Operating leases as lessee</b>	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
46,685	Not later than one year	43,031
124,192	Later than one year and not later than five years	103,254
71,966	Later than five years	56,349
242,843	<b>Total non-cancellable operating lease commitments</b>	202,634
259,302	<b>Total commitments</b>	214,657

The accompanying notes form part of these financial statements.

## Capital Commitments

Capital commitments are the aggregate amount of capital expenditure contracted for the acquisition of property, and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the Statement of Commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (that is, the minimum future payments).

## Non-Cancellable Operating Lease Commitments

MBIE leases property, plant, and equipment in the normal course of its business. The majority of these leases are for premises and photocopiers, which have non-cancellable leasing periods.

MBIE's non-cancellable operating leases have varying terms, escalation clauses, and renewal rights.

There are no restrictions placed on MBIE by any of its leasing arrangements. The amounts disclosed as future commitments are based on current lease payments.

Expenses yet to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments.

The total of minimum future sub-lease payments for the duration of the main leases expected to be received under non-cancellable sub-leases at balance date is \$66.763 million (2022: \$75.429 million).

## Statement of Contingent Liabilities and Assets

As at 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
	<b>Quantifiable contingent liabilities</b>	
375	Legal proceedings and disputes	200
200	Other contingent liabilities	1,278
575	<b>Total quantifiable contingent liabilities</b>	<b>1,478</b>

## Contingent Liabilities

Contingent liabilities are reported at the point at which the contingency is evident or when a present liability is unable to be measured with sufficient reliability to be recorded in the financial statements.

Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits or service potential is considered remote.

## Quantifiable Contingent Liabilities

### Legal proceedings and disputes

Legal proceedings and disputes represent amounts claimed by plaintiffs in relation to the performance of MBIE's statutory roles and associated estimated legal costs. In addition, this includes contingent liabilities relating to various employment matters. Contingent liabilities relating to employment matters are assessed by taking into account the merits of each case, known risk factors and previous payments made in similar matters.

The accompanying notes form part of these financial statements.

### **Other contingent liabilities**

Other contingent liabilities represent obligations for the State Coal Reserve Land, prior to the transfer to Land Information New Zealand in 2011, for site mitigation that if not addressed by mine owners, will be sought from MBIE by Land Information New Zealand. There are also contingent liabilities that would arise from early terminations of commercial contracts or agreements by MBIE.

### **Unquantifiable Contingent Liabilities**

#### **Canterbury earthquake – consultants' indemnity**

MBIE has given indemnities in relation to the Canterbury Earthquake Building Performance Technical Investigation. These indemnities cover the consultants carrying out the investigations and the members of the expert panel, including one member representing each consultant. The indemnities cover costs from claims by third parties against the consultants or their staff in relation to the reports produced, as well as media releases made by the expert panel chair. There is no stated limit on the amount of each indemnity. The indemnities only apply where the consultant has complied with all obligations under the contract.

### **Other indemnities**

There are three other indemnities granted by MBIE with regard to misuse of vendor products. At this time there are no pending claims.

#### **Other legal prosecutions against MBIE**

Two individuals have advised that they intend to commence proceedings against MBIE. MBIE has no information on the timing or quantum of these claims.

### **Contingent Assets**

Contingent assets are reported at the point at which the contingency is evident or when a present asset is unable to be measured with sufficient reliability to be recorded in the financial statements. MBIE has no contingent assets as at 30 June 2023 (2022: nil).

The accompanying notes form part of these financial statements.

# Who We Are

MBIE is the Government's lead business-facing public sector agency, and our purpose is to Grow Aotearoa New Zealand for All. We are a public benefit entity as our primary objective is to provide goods and services for the New Zealand community rather than for a financial return.

This section provides information on the legislation governing MBIE's operations as well as the concepts, rules and procedures that underlie the preparation and presentation of the financial statements.

## Note 1: Reporting Entity

The Ministry of Business, Innovation and Employment (MBIE) is a New Zealand government department as defined by section 5 of the *Public Service Act 2020*. The relevant legislation governing the Ministry's operations includes the *Public Finance Act 1989*, *Public Service Act 2020*, and the *Public Accountability Act 1998*. MBIE's ultimate parent is the New Zealand Crown.

MBIE's primary objective is to provide services to the New Zealand public. MBIE does not operate to make a financial return and is a public benefit entity (PBE) for financial reporting purposes. The financial statements cover all activities of MBIE as set out in the 2022/23 Main and Supplementary Estimates of Appropriations for Votes Building and Construction; Business, Science and Innovation; and Labour Market.

In addition, MBIE has reported the Crown activities and trust monies that it administers in the non-departmental statements and schedules on pages 193 to 218.

MBIE has designated itself as a public benefit entity (PBE) for the purposes of complying with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements of MBIE are for the year ended 30 June 2023. They were authorised for issue by the Chief Executive of MBIE on 2 October 2023.

## Note 2: Basis of Preparation and Statement of Significant Accounting Policies

### Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

### Statement of compliance

The financial statements have been prepared in accordance with the requirements of the *Public Finance Act 1989*, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP) and the Treasury Instructions.

The financial statements of MBIE have been prepared in accordance with Tier 1 Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS).

### Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of land and buildings and prepared on an accrual basis unless otherwise specified.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of MBIE is the New Zealand dollar.

## Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

### New or amended standards adopted

#### PBE IPSAS 41 *Financial Instruments*

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. MBIE has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

#### PBE FRS 48 *Service Performance Reporting*

This Standard establishes new requirements for the selection and presentation of service performance information. MBIE has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 *Presentation of Financial Statements* is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed on pages 68 to 72 of the service performance information.

## Changes in accounting policies

### Immigration visa fees revenue recognition

During the year ended 30 June 2023, MBIE reviewed and revised its accounting policy in relation to immigration visa fee revenue recognition. The change in accounting policy resulted from MBIE's internal accounting policy review following the COVID-19 global pandemic and its impact on the immigration policies and operating environment. Immigration visa fees revenue is now recognised on receipt in full at the time an applicant makes payment when lodging their visa application with Immigration New Zealand.

The change has been applied retrospectively for the comparative numbers for the year ended 30 June 2022.

The impact on the financial statements was as follows:

	Published 30 June 2022 \$000	Adjustments \$000	Restated 30 June 2022 \$000
<b>Statement of comprehensive revenue and expense</b>			
Other revenue	313,515	73,936	387,451
Total revenue	1,229,963	73,936	1,303,899
<b>Net surplus/(deficit)</b>	<b>(31,069)</b>	<b>73,936</b>	<b>42,867</b>
<b>Total comprehensive revenue and expense</b>	<b>(25,176)</b>	<b>73,936</b>	<b>48,760</b>
<b>Statement of financial position</b>			
Unearned income	83,890	(73,936)	9,954
Total current liabilities	426,380	(73,936)	352,444
<b>Total liabilities</b>	<b>434,750</b>	<b>(73,936)</b>	<b>360,814</b>
<b>Net assets</b>	<b>495,890</b>	<b>73,936</b>	<b>569,826</b>
Memorandum accounts	(64,679)	73,936	9,257
<b>Total equity</b>	<b>495,890</b>	<b>73,936</b>	<b>569,826</b>
<b>Statement of changes in equity</b>			
<b>Balance at 1 July</b>	<b>445,476</b>	<b>–</b>	<b>445,476</b>
Net surplus/(deficit)	(31,069)	73,936	42,867
<b>Balance at 30 June</b>	<b>495,890</b>	<b>73,936</b>	<b>569,826</b>

## Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

### Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to MBIE are:

#### *2022 Omnibus Amendment to PBE Standards*

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- › PBE IPSAS 16 *Investment Property*: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- › PBE IPSAS 17 *Property, Plant and Equipment*: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- › PBE IPSAS 30 *Financial Instruments: Disclosures*: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- › PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

These amendments are not expected to have a significant impact.

### Significant accounting policies

The following significant accounting policies have been applied. Where an accounting policy is specific to one note, the policy is described in the note to which it relates and marked with a symbol **P**.

#### Administration and use arrangements

Administration and use arrangements enable a government department to incur expenses against an appropriation administered by another government department.

Under these arrangements, the user department records expenditure with corresponding revenue reimbursed by the administering department. The administering department then records the expenditure in the Statement of Comprehensive Revenue and Expense, as well as reporting the expenditure against appropriation.

#### Commitments

Expenses yet to be incurred on non-cancellable contracts that have been entered into at balance date are disclosed as commitments.

Cancellable contracts that have penalty or exit costs are included in the Statement of Commitments at the lower of the remaining contractual commitment or the value of the penalty or exit costs.

#### Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are reported at the point at which the contingency is evident or when a present liability or asset is unable to be measured with sufficient reliability to be recorded in the financial statements.

Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits or service potential is considered remote.

## **Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)**

### **Foreign currency transactions**

Foreign currency transactions, including those for which foreign exchange forward contracts are held, are translated to New Zealand dollars at the rate applicable on the day of settlement.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date.

Foreign exchange gains or losses arising from the settlements of such transactions and from the translation of foreign currency monetary assets and liabilities are recognised in net surplus or deficit.

### **Goods and Services Tax (GST)**

All items in the financial statements, except for receivables and payables, are stated exclusive of GST, including appropriation statements and commitments and contingencies. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Income tax**

Government departments are exempt from income tax as public authorities, and no income tax has been provided for.

### **Cost accounting policies**

MBIE has determined the cost of outputs using the cost allocation system outlined below.

Input costs can be classified as direct and indirect.

Direct costs are those that are directly linked to the production of an output; for example, the cost of staff working in a business unit that can be directly linked to the outputs.

Indirect costs are incurred in the operation of MBIE as a whole and are not able to be linked directly to a specific output. They are charged to outputs based on cost drivers and related activity or usage information.

The method of allocating costs is:

- › Directly Charged – costs that are incurred for a specific purpose and can be directly attributed to specific business groups will be directly charged to that business group and allocated to the appropriate branches and appropriation outputs within that business group.
- › Allocated based on a cost driver – these are costs that are incurred as a result of consumption but cannot be directly charged to specific business groups. These costs are generally provided across MBIE. At a high level the model allocates property and centralised corporate delivery costs based on full-time equivalent (FTE), headcount, and appropriation.

### **Critical accounting estimates, assumptions and judgements in applying accounting policies**

In preparing these financial statements, critical accounting estimates, assumptions and judgements have been made concerning the future and may differ from the subsequent actual results. Critical accounting estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## Note 2: Basis of Preparation and Statement of Significant Accounting Policies (continued)

### Comparatives

When the presentation or classification of items in the financial statements are amended or accounting policies are changed, comparative figures are restated to ensure consistency with the current period, unless it is impractical to do so. The presentation of some information has changed from the previous period, with prior period balances re-classified to be comparable with current year figures.

### Budget and forecast figures

#### *Basis for the budget and forecast figures*

The 2023 Budget are the Main Estimates figures for the year ended 30 June 2023 and were published in the 2021/22 Annual Report (Unaudited Forecast 2023). They are consistent with MBIE's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ended 2022/23.

The 2024 forecast figures (Forecast) are for the year ending 30 June 2024, which are consistent with the best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update for the year ending 2023/24.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

Although MBIE regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published.

#### *Significant assumptions used in preparing the unaudited forecast financial statements*

- › The forecast financial statements have been prepared as required by the *Public Finance Act 1989* to communicate forecast financial information for accountability purposes and comply with Public Benefit Entities Financial Reporting Standard (PBE FRS) 42 *Prospective Financial Information*.

- › The forecast figures reflect MBIE's activities and are based on a number of assumptions on what may occur during the 2023/24 year. The forecast figures have been compiled on the basis of the current economic environment, existing government policies and Ministerial expectations at the time the Budget was finalised.

The main assumptions were as follows:

- › MBIE's activities and output expectations will be focusing on the Government's priorities.
- › Personnel costs were based on current wages and salary costs, adjusted for anticipated remuneration changes.
- › Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and MBIE's best estimate of future costs that will be incurred.

Factors that could lead to material differences between the forecast financial statements and actual financial statements for the period ending 30 June 2024 include changes to the baseline budget through transfers of funding across financial years, technical adjustments or new initiatives.

#### *Authorisation statement*

The forecast financial statements were approved for issue by the Chief Executive on 11 April 2023. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of assumptions underlying them and all other required disclosures.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material.

## How We Were Funded

Our activities are funded mainly by revenue from the Crown and other revenue received from third parties. Crown revenue is received from the Government and is classified as a non-exchange transaction. It consists of amounts appropriated for the year. Other revenue consists mainly of fees and levies paid by third parties. We collect fees in exchange for the services we provide to the community; for example, the issue of immigration visas or the provision of online systems via the Companies Office website to make it easier for businesses to manage and update their records. Levies are collected without a direct exchange of services; for example, a building levy is paid on successful building consent application for a project exceeding a specified threshold.

## Note 3: Revenue

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### Revenue from Exchange Transactions

#### Fees

Revenue from fees is recognised as income in the period when the service was provided.

#### Immigration visa fees

Revenue from immigration visa fees is recognised on receipt in full at the time an applicant makes payment when lodging their visa application with Immigration New Zealand.

#### Shared service recoveries from other government departments and Crown Entities

Shared service recoveries, largely relating to corporate costs reimbursed by other government departments and Crown entities, are recognised in the accounting period in which the service is provided. It is assessed on the completion of specific transactions, which is based on the proportion of actual services provided over the total services due.

### Revenue from Non-Exchange Transactions

#### Revenue from the Crown

Revenue from the Crown is treated as a non-exchange transaction, and is measured based on MBIE's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue

recognised takes into account any amendments to appropriations approved in the *Appropriation (Supplementary Estimates) Act* for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, MBIE can incur expenses only within the scope, amount and time of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

#### Levies

Revenue from the collection of levies is a non-exchange transaction as the payment of these levies does not entitle the payer to a direct benefit from the Crown. The revenue recognition point is when the obligation to pay a levy has been incurred and this is guided by multiple Acts that MBIE administers.

Although there are restrictions on how levy funding may be spent, there are no conditions attached to the levies that could readily give rise to obligations to return levies to levy payers.

#### Other revenue from Residential Tenancies Trust Account

MBIE administers a trust account for tenancy bonds under the *Residential Tenancies Act 1986*. Any interest earned by the Residential Tenancies Trust Account (RTTA) is passed onto MBIE to cover costs.

### Note 3: Revenue (continued)

Actual 2022* \$000		Actual 2023 \$000
	<b>Other revenue associated with a memorandum account (Note 17)</b>	
	<b>Memorandum account revenue</b>	
189,381	Immigration fees	255,385
27	Other revenue	43
189,408	<b>Total immigration visa</b>	255,428
48,404	Building levies	48,186
2,180	Other revenue	438
50,584	<b>Total building controls</b>	48,624
11,121	Companies annual return fees	12,686
8,593	Personal property securities register fees	8,937
7,478	Companies incorporation fees	7,021
3,465	Other revenue and fees	3,583
30,657	<b>Total registration and provision of statutory information</b>	32,227
13,684	Patent fees	13,946
9,544	Trademark fees	9,565
4,464	Intellectual Property Office NZ fees	4,710
329	Other fees	–
28,021	<b>Total registration and granting of intellectual property rights</b>	28,221
23,450	Government procurement reform income	31,371
533	Other revenue	–
23,983	<b>Total government procurement reform agenda</b>	31,371
6,242	Licensed building practitioners levies and fees	6,443
6,242	<b>Total occupational licensing – building practitioners</b>	6,443
4,284	Radio apparatus licence fees	4,675
2,654	Right to transmit radio waves fees	3,182
6,938	<b>Total management and enforcement of the Radiocommunications Act 1989</b>	7,857
5,648	Sale of standards	6,153
5,648	<b>Total Standards New Zealand</b>	6,153
4,947	Electrical workers fees	6,503
4,947	<b>Total occupational licensing – electrical workers</b>	6,503
3,572	Mineral permit fees	3,607
686	Petroleum permit fees	737
4,258	<b>Total management of the Crown mineral estate</b>	4,344
1,264	MVT registration fees	2,114
1,264	<b>Total Motor Vehicle Traders (MVT) register</b>	2,114
1,150	Immigration fees	21,848
1,150	<b>Total Electronic Travel Authority</b>	21,848
142	Unit titles application fees	141
142	<b>Total Unit Titles Act 2010</b>	141
99	National multi-use approvals	(27)
99	<b>Total National multi-use approvals</b>	(27)
353,341	<b>Total third-party revenue associated with a memorandum account</b>	451,247

### Note 3: Revenue (continued)

Actual 2022* \$000		Actual 2023 \$000
	<b>Other revenue not associated with a memorandum account</b>	
15,909	Revenue from Residential Tenancies Trust Account	23,030
5,605	Shared services recovery	3,328
9,635	Other fees	7,054
2,961	Other revenue	6,007
34,110	<b>Total other revenue not associated with a memorandum account</b>	39,419
387,451	<b>Total other revenue</b>	490,666
320,037	Total other revenue from exchange transactions	416,327
67,414	Total other revenue from non-exchange transactions	74,339
387,451	<b>Total other revenue</b>	490,666

\* Due to the accounting policy change in relation to INZ revenue, the Actual 2022 comparatives have been restated and its impact on MBIE's financial statements can be found in Note 2.



#### Explanation of Major Variances Against Budget

Revenue is \$30.736 million lower than Budget (Budget: \$1.371 billion) mainly due to funding from the Crown to support the MIQ arrangements during New Zealand's response to the on-going COVID-19 pandemic being less than required which was uncertain at the time of Budget.

This was partially offset by an increase in third-party revenue received primarily due to the re-opening of New Zealand borders.

# The Costs We Incur to Achieve Our Goals

Our activities are funded through appropriations, which are funds set aside by the Government for a specific purpose. Our largest areas of spend are on personnel, IT and technical support, and various professional services.

## Note 4: Personnel Costs

<p><b>P Employee Benefits</b></p> <p>Employee entitlements to salaries and wages, bonuses, annual leave, long service leave, retirement gratuities and other similar benefits are recognised as an expense when they accrue to employees.</p> <p>Obligations for contributions to the State Sector Retirement Savings Scheme, KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.</p>	<p><b>Termination Benefits</b></p> <p>Termination benefits are recognised as an expense only when there is a demonstrable commitment to either terminate employment prior to normal employment date or to provide such benefits as a result of a position becoming redundant. Termination benefits settled within 12 months are reported at the amount expected to be paid.</p>
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Actual 2022 \$000	Actual 2023 \$000
585,374 Salaries and wages	622,888
65,968 Contractors	70,272
17,270 Employer contributions to defined contribution schemes	18,780
8,166 Training and professional development	10,202
26,349 Other personnel	(18,039)
<b>703,127 Total personnel costs</b>	<b>704,103</b>

<p><b>i Explanation of Major Variances Against Budget</b></p> <p>Personnel costs are \$20.651 million lower than the Budget (Budget: \$724.754 million) due to the recent labour market conditions and a decrease</p>	<p>in an other personnel related provision that was no longer required.</p>
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## Note 5: Other Operating Expenses

### P Other Operating Expenses

Other operating expenses are recognised when goods and services are received.

#### Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives for accommodation are recognised evenly over the term of the lease as a reduction in rental expense. The unexpired portion of an operating lease is shown in the Statement of Commitments.

Actual 2022 \$000	Actual 2023 \$000
67,296 Professional services	70,116
48,844 Rental and operating lease costs	49,475
32,759 Other operating costs	22,512
8,668 Travel – domestic and overseas	22,410
85,024 Property maintenance and operation costs	20,189
29,418 Consulting services	19,575
10,519 Supplies and services	9,734
(30) Provision for impairment of debtors and other receivables	279
1,072 Net foreign exchange losses	58
1,681 Loss on disposal of property and equipment	–
<b>Auditor's remuneration</b>	
855 Audit fees – MBIE's financial statements	969
22 Audit fees – Residential Tenancies Trust Account's financial statements	24
10 Audit fees – other services	–
<b>286,138 Total other operating expenses</b>	<b>215,341</b>

### i Explanation of Major Variances Against Budget

Other operating expenses are \$111.931 million lower than Budget (Budget: \$327.272 million). This was mainly due to the costs associated with the closure

of MIQ facilities being less than anticipated at the time of the Budget.

## Note 6: Contractors and Consultants

MBIE uses contractors and consultants to provide backfill for vacant positions or cover short-term demand, where specialist skills or independent external advice are needed (such as for specific programmes or projects), and in periods of peak demand.

A contractor is a person who is not considered an employee, providing backfill or extra capacity in a role that exists within MBIE or acts as an additional resource for a time-limited piece of work.

A consultant is a person or firm who is not considered a contractor or employee, engaged to perform a piece of work with a clearly defined scope and provide expertise, in a particular field, not readily available from within MBIE.

Some contractors and consulting costs for specific projects are capitalised when they relate to the creation and/or development of an asset.

Actual 2022 \$000		Notes	Actual 2023 \$000
<b>Operating expense</b>			
41,242	Contractors		38,638
24,726	Contractors working on ICT projects		31,634
65,968	<b>Total operating expense – contractors</b>	4	70,272
29,418	Consulting services	5	19,575
95,386	<b>Total operating expense – contractors and consultants</b>		89,847
<b>Capital expense</b>			
13,633	Contractors and consulting services capitalised to assets – Intangible assets		13,853
57	Contractors and consulting services capitalised to assets – Property and equipment		743
13,690	<b>Total capital expense – contractors and consultants</b>		14,596
109,076	<b>Total contractors and consultants</b>		104,443

## Note 7: Capital Charge

MBIE pays a capital charge to the Crown on its taxpayers' funds at 31 December and 30 June each financial year. The capital charge rate for the year ended 30 June 2023 was 5 per cent (2022: 5 per cent). The capital charge is recognised as an expense in the financial year to which it relates.

# Long-Term Assets that Support Our Operations

In order to efficiently carry out our operations, we invest in physical assets and intangible assets. Assets of a similar nature are grouped into categories. These assets are used for more than one year. Their cost is spread over the asset's useful life, which is the expected period that the asset is available for use.

## Note 8: Property and Equipment

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Property and equipment consists of land, buildings, equipment, leasehold improvements, furniture and fittings, computer hardware and motor vehicles.

### Measurement

Land is measured at fair value, and buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Additions

Items of property and equipment are recognised at cost if it is probable that future economic benefits or service potential will flow to MBIE. Where an item of property and equipment is acquired at no cost (or for a nominal amount), it is recognised at its fair value on the date of acquisition.

Costs incurred subsequent to the initial recognition of an item of property and equipment are only recognised where it can be demonstrated that there has been an increase in the future economic benefits or service potential that will flow to MBIE, and the cost of the item can be measured reliably. Costs relating to the servicing or maintenance of items of property and equipment are recognised in net surplus or deficit when incurred.

Work in progress is recognised at cost less impairment losses and is not depreciated.

### Capitalisation

A de minimis of \$5,000 applies for capitalisation below which individual items are expensed on purchase. Grouped assets are capitalised if their total acquisition cost is greater than \$5,000.

### Depreciation

Depreciation is charged on a straight-line basis, at rates that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives. Land and work in progress are not depreciated. The useful lives of major categories of property and equipment have been estimated as follows.

<b>Asset class</b>	<b>Useful life</b>
Buildings	30–60 years
Computer hardware	3–6 years
Furniture and fittings	3–7 years
Leasehold improvements (shorter of lease period or estimated useful life)	2–12 years
Motor vehicles	4–6 years
Equipment	3–10 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

## Note 8: Property and Equipment (continued)

### **P** Revaluation

Land and buildings are revalued at least once every three years, by an independent registered valuer, to ensure that their carrying amount does not differ materially from their fair value. In the intervening years, carrying values of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off-cycle asset classes are revalued.

The net revaluation results are included in other comprehensive revenue and expense and a property revaluation reserve in equity for that class of asset. However, if this would result in the reserve being exhausted, then it is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously recognised, and then recognised in other comprehensive revenue and expense.

The useful life of an asset is reassessed following revaluation.

### Disposals

Gains and losses on disposal of an item of property and equipment represent the difference between disposal proceeds, if any, and the carrying value of the asset at the time of disposal and are recognised in net surplus or deficit.

If a previously revalued asset is disposed of, the relevant amount held in the asset revaluation reserve is transferred to taxpayers' funds.

### Work in Progress (WIP)

WIP is capital expenditure for assets that are not in use or completed at balance date. During the year, items are transferred from WIP into asset classes as completed.

### Impairment

Property and equipment are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is recognised in other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

## Note 8: Property and Equipment (continued)

	Land \$000	Building \$000	Equipment \$000	Leasehold improvements \$000	Furniture & Fittings \$000	Computer hardware \$000	Motor vehicles \$000	WIP \$000	Total \$000
<b>Year ended 30 June 2022</b>									
Cost	15,414	36,593	8,914	80,440	26,781	37,489	1,766	3,316	210,713
Accumulated depreciation and impairment	-	(36)	(6,064)	(33,379)	(15,651)	(14,771)	(1,337)	-	(71,238)
<b>Opening net book value</b>	15,414	36,557	2,850	47,061	11,130	22,718	429	3,316	139,475
Additions	-	-	568	161	312	5,533	12	18,517	25,103
Transfers from WIP	-	-	-	120	26	372	-	(518)	-
Revaluation	(149)	5,356	-	-	-	-	-	-	5,207
Disposals	-	-	(325)	(1,783)	(638)	(155)	(148)	(330)	(3,379)
Transfers to assets for sale	(865)	(649)	-	-	-	-	-	-	(1,514)
Impairment	-	-	-	(1,605)	-	-	-	(917)	(2,522)
Depreciation	-	(650)	(552)	(5,057)	(3,825)	(8,324)	(151)	-	(18,559)
Depreciation released on disposals	-	-	325	1,779	512	155	128	-	2,899
Accumulated depreciation reversed on revaluation	-	686	-	-	-	-	-	-	686
<b>Closing net book value</b>	14,400	41,300	2,866	40,676	7,517	20,299	270	20,068	147,396
Cost	14,400	41,300	9,157	78,938	26,481	43,239	1,630	20,985	236,130
Accumulated depreciation and impairment	-	-	(6,291)	(38,262)	(18,964)	(22,940)	(1,360)	(917)	(88,734)
<b>Closing net book value</b>	14,400	41,300	2,866	40,676	7,517	20,299	270	20,068	147,396
<b>Year ended 30 June 2023</b>									
Additions	-	10	500	1,408	3,468	139	66	15,649	21,240
Transfers from WIP	-	743	-	10,512	1,005	2,966	-	(15,226)	-
Revaluation	(1,500)	7,900	-	-	-	-	-	-	6,400
Disposals	-	-	-	-	-	-	(198)	-	(198)
Transfers to assets for sale	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-
Depreciation	-	(725)	(679)	(5,514)	(3,363)	(9,266)	(122)	-	(19,669)
Depreciation released on disposals	-	-	-	-	-	-	198	-	198
Accumulated depreciation reversed on revaluation	-	724	-	-	-	-	-	-	724
<b>Closing net book value</b>	12,900	49,952	2,687	47,082	8,627	14,138	214	20,491	156,091
Cost	12,900	49,953	9,657	90,858	30,954	46,344	1,498	21,408	263,572
Accumulated depreciation and impairment	-	(1)	(6,970)	(43,776)	(22,327)	(32,206)	(1,284)	(917)	(107,481)
<b>Closing net book value</b>	12,900	49,952	2,687	47,082	8,627	14,138	214	20,491	156,091

MBIE holds one land and building asset, the Māngere Refugee Resettlement Centre in Auckland. The most recent valuation of the Māngere Refugee Resettlement Centre was performed by registered valuers Kane Sweetman and Angus McIntyre of CVAS (NZ) Limited trading as Colliers, with an effective date of 30 June 2023.

The Māngere property is valued at depreciated replacement cost due to the nature of the building.

The depreciated replacement cost value tends to be lower than that of the open market value. The economic useful life of the property has been updated from the original project life of 30 years to the valuation estimate of 55–60 years.

Included in property and equipment assets are \$0.743 million of capitalised contractors and consultants' costs (2022: \$0.057 million).

## **Note 8: Property and Equipment (continued)**

### **Non-Current Assets Held for Sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction and the sale is highly probable. Assets are initially recorded as held for sale when:

- › identified as surplus to MBIE requirements and the property is actively marketed for sale at a price that is reasonable in relation to its current fair value.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in net surplus or deficit. Any increases in fair value (less costs to sell) are recognised in net surplus or deficit up to the level of any impairment losses that have been previously recognised.

Non-current assets held for sale are not depreciated or amortised while they are classified as held for sale.

MBIE has no non-current assets held for sale at 30 June 2023 (2022: \$0.569 million comprising of one property in Suva, Fiji, land \$0.136 million and buildings \$0.433 million).

Non-current assets held for sale are recognised as current assets as their value is expected, in most instances, to be realised in the 12-month period after balance date.

There are no other restrictions over the title of MBIE's property and equipment, nor are they pledged as security for liabilities.

## Note 9: Intangible Assets

### **P** Measurement

Intangible assets are measured at cost, less accumulated amortisation and any impairment losses.

### Additions

Purchased computer software is capitalised on the basis of the costs incurred to acquire and bring the software into use.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Internally generated intangible assets are recognised at the cost associated with bringing the asset into use, including the cost of all materials used in construction, employee costs and an appropriate proportion of overheads.

Staff training costs are recognised as an expense when incurred.

Costs relating to the maintenance of intangible assets are recognised in net surplus or deficit when incurred.

Costs associated with development and maintenance of MBIE's website are recognised as an expense when incurred.

### Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. The amortisation charge for each year is recognised in net surplus or deficit.

The useful lives of major classes of intangible assets have been estimated as follows.

<b>Asset class</b>	<b>Useful life</b>
Purchased computer software	3–8 years
Internally generated computer software	4–10 years

### Impairment

Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For capital work in progress, MBIE review four times a year to identify any impairment of the carrying value its assets. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in surplus or deficit.

The reversal of an impairment loss on a revalued asset is recognised in other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

## Note 9: Intangible Assets (continued)

	Actual 2023				Actual 2022			
	Purchased \$000	Internally generated \$000	WIP \$000	Total \$000	Purchased \$000	Internally generated \$000	WIP \$000	Total \$000
Cost	129,960	253,606	87,440	471,006	126,466	251,212	50,358	428,036
Accumulated amortisation and impairment	(91,970)	(183,368)	(7,477)	(282,815)	(84,109)	(147,854)	(4,470)	(236,433)
<b>Opening net book value</b>	37,990	70,238	79,963	188,191	42,357	103,358	45,888	191,603
Additions	7,371	5,864	35,824	49,059	1,031	1,918	49,612	52,561
Transfers from WIP	16,974	44,389	(61,363)	–	9,076	2,120	(11,196)	–
Disposals	(391)	(363)	–	(754)	(6,613)	(1,644)	(1,334)	(9,591)
Impairment	–	–	(929)	(929)	–	–	(3,007)	(3,007)
Amortisation	(14,803)	(25,102)	–	(39,905)	(14,474)	(37,158)	–	(51,632)
Amortisation released on disposals	391	174	–	565	6,613	1,644	–	8,257
<b>Closing net book value</b>	47,532	95,200	53,495	196,227	37,990	70,238	79,963	188,191
Cost	153,914	303,496	61,901	519,311	129,960	253,606	87,440	471,006
Accumulated amortisation and impairment	(106,382)	(208,296)	(8,406)	(323,084)	(91,970)	(183,368)	(7,477)	(282,815)
<b>Closing net book value</b>	47,532	95,200	53,495	196,227	37,990	70,238	79,963	188,191

MBIE develops and maintains internally generated software, which is classified as an asset under construction and capitalised at the in-service date.

In accordance with *PBE IPSAS 31 Intangible Assets*, management have reviewed the useful lives of intangible assets and have also reviewed the carrying amount of intangible assets for impairment.

There are no restrictions over the title of MBIE's intangible assets, nor are any intangible assets pledged as security for liabilities.

Included in intangible assets are \$13.853 million of capitalised contractors and consultants' costs (2022: \$13.633 million).

## Other Assets and Liabilities

Other assets and liabilities disclosed in this section are those that are used and recorded as part of the course of our day-to-day operations. These include the balance of money due to MBIE for goods or services provided to the public and our obligation to settle balances owing to our suppliers and the Crown.

### Note 10: Debtors and Other Receivables

P

#### Debtors and Other Receivables

Debtors and other receivables are non-derivative financial assets, which are measured at amortised cost and initially recorded at the amount due.

Debtors and other receivables are subsequently revalued to the amount due less any allowance for credit losses. MBIE applies the simplified expected credit loss model of recognising lifetime expected credit losses for debtors and other receivables.

In measuring expected credit losses, debtors and other receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Debtors and other receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Actual 2022 \$000		Actual 2023 \$000
	<b>Current</b>	
276,034	Debtor Crown	265,029
26,617	Residential Tenancies Trust Account revenue receivable	33,112
19,104	Trade debtors and other receivables	11,373
(1,071)	Less allowance for credit losses	(987)
14,222	Accrued receivables from exchange transactions	14,309
334,906	<b>Total current debtors and receivables</b>	322,836
	<b>Non-current</b>	
1,691	Bonds provided for offshore property leases	1,662
1,691	<b>Total non-current debtor and other receivables</b>	1,662
336,597	<b>Total debtors and other receivables</b>	324,498
33,946	Total debtors and other receivables from exchange transactions	26,357
302,651	Total debtors and other receivables from non-exchange transactions	298,141
336,597	<b>Total debtors and other receivables</b>	324,498

## Note 10: Debtors and Other Receivables (continued)

The expected credit loss rates for receivables at 30 June 2023 and 30 June 2022 are based on the payment profile of revenue on credit over the prior two years at the measurement date and the corresponding historical credit losses experienced for that period.

The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might

affect the recoverability of receivables. Given the short period of credit risk exposure, the effect of macroeconomic factors is not considered significant.

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring the loss allowance.

Movements in the allowance for credit losses are as follows:

Actual 2022 \$000	Actual 2023 \$000
1,325 <b>Opening balance as at 1 July</b>	1,071
443 Additional provisions made during the year	550
(473) Provision reversed during the year	(271)
(224) Provisions utilised during the year	(363)
<b>1,071 Closing balance as at 30 June</b>	<b>987</b>

The allowance for credit losses at 30 June 2023 and 30 June 2022 was determined as follows:

30 June 2023	Receivables days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
Gross carrying amount (\$000)	322,475	84	228	2,698	325,485
Lifetime expected credit loss (\$000)	(61)	(3)	(9)	(914)	(987)
Net carrying amount (\$000)	322,414	81	219	1,784	324,498
Expected credit loss rate	0.02%	4%	4%	34%	

30 June 2022	Receivables days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
Gross carrying amount (\$000)	334,494	424	536	2,214	337,668
Lifetime expected credit loss (\$000)	(119)	(17)	(21)	(914)	(1,071)
Net carrying amount (\$000)	334,375	407	515	1,300	336,597
Expected credit loss rate	0.04%	4%	4%	41%	

The carrying value of debtors and other receivables approximates their fair value.

The non-current portion of debtors and other receivables relates to bonds given to property owners to secure offshore rental accommodation and offices.

All debtors and other receivables greater than 30 days in age are considered to be past due date. At 30 June 2023, \$3.010 million of debtors and other receivables were past due date (2022: \$3.174 million).

The provision for impairment of debtors and other receivables consists of specific individual impairment provisions, based on a review of overdue receivables.

The collective provision for impairment of \$0.987 million (2022: \$1.071 million) has been calculated based on an analysis of past collection history, the current economic environment and debt write-offs.

MBIE does not hold the collateral for debts greater than 90 days.

**i Explanation of Major Variances Against Budget**

Debtors and other receivables are \$54.775 million lower than Budget (Budget: \$379.273 million) mainly due to higher than expected Crown funding drawn down than initially budgeted.

**Note 11: Creditors and Other Payables**

**P** Short-term creditors and other payables are recorded at face value.

Actual 2022 \$000	Notes	Actual 2023 \$000
<b>Current</b>		
54,460	Accrued expenses	39,366
16,627	Trade creditors	28,840
7,268	GST payable	6,973
<b>78,355</b>	<b>Total current creditors and other payables</b>	<b>75,179</b>
<b>Non-current</b>		
-	<b>Total non-current creditors and other payables</b>	-
<b>78,355</b>	<b>Total creditors and other payables</b>	<b>75,179</b>

Creditors and other payables are non-interest bearing. The carrying value of creditors and other payables approximates their fair value.

**i Explanation of Major Variances Against Budget**

Creditors and other payables are \$17.661 million higher than the Budget (Budget: \$57.518 million) driven by the continuing impact of the increased costs at year end relating to our investment into ICT infrastructure after moving to software as a service which had not been actioned when the Budget was produced.

## Note 12: Unearned Income

**P** Unearned income relates to cash received in advance of the period in which it will be recognised as revenue.

Actual 2022* \$000		Actual 2023 \$000
	– Immigration visa and other application processing	–
4,217	Radio operations fees	3,731
5,737	Other revenue	1,314
9,954	<b>Total unearned income</b>	5,045

\* Due to the accounting policy change in relation to INZ revenue, the Actual 2022 comparatives have been restated and its impact on MBIE's financial statements can be found in Note 2.

Radio operations fees relate to annual licence fees invoiced at the beginning of the period to which they relate and are recognised as unearned income where fees are paid for periods after 30 June 2023.

### **i** Explanation of Major Variances Against Budget

Unearned income is \$12.542 million lower than the Budget (Budget: \$17.587 million) mainly due to the new policy on revenue recognition for immigration visa fees. Instead of recognising unearned income,

immigration visa fees revenue is recognised on receipt in full at the time an applicant makes payment when lodging their visa application with Immigration New Zealand.

## Note 13: Return of Operating Surplus

**P** MBIE's obligation to return a portion of its operating surplus in accordance with the *Public Finance Act 1989* is recognised at face value as it is required to be paid by 31 October of each year, per Treasury Instructions.

Actual 2022 \$000		Notes	Actual 2023 \$000
42,867	<b>Net (deficit)/surplus</b>		142,363
	<i>Add back:</i>		
100,942	Net operating deficit/(surplus) in memorandum accounts	17	(31,146)
1,072	Unrealised net foreign exchange gains/(losses)		58
	– Retention of surplus		–
144,881	<b>Return of operating surplus to the Crown</b>		111,275

\* Note: Net (deficit)/surplus and Net operating deficit in memorandum accounts for the year ended 30 June 2022 have been restated due to a change in accounting policy related to INZ revenue. The return of operating surplus has not been impacted. Refer to Note 2.

## Note 14: Provisions

### P Provisions

MBIE recognises a provision when there is a present obligation, either legal or constructive, as the result of a past event and it is probable that an outflow of resources will be required to settle the obligation but the timing or the amount of obligation is uncertain.

Provisions are not recognised for net deficits from future operating activities.

Where the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

### Restructuring Provision

MBIE recognises provisions for restructuring when an approved, detailed, formal plan for a restructure has either been announced publicly to those affected or when implementation has already commenced.

### Onerous Contracts Provision

MBIE recognises a provision for an onerous contract when the expected benefits or service potential to be derived from a contract are lower than the unavoidable costs associated with meeting the obligations of the contract. Such a provision is measured at the lower of the expected cost of terminating the contract and the net expected cost of continuing with the contract.

	Actual 2023			Actual 2022		
	Current \$000	Non-Current \$000	Total \$000	Current \$000	Non-Current \$000	Total \$000
Payroll remediation	760	–	760	817	–	817
Lease make-good	1,621	2,148	3,769	440	2,627	3,067
Restructuring	3,349	–	3,349	6,603	–	6,603
Other provisions	5,028	–	5,028	30,843	–	30,843
ACC partnership programme	109	39	148	119	43	162
Onerous lease	–	–	–	2,672	–	2,672
<b>Total provisions</b>	<b>10,867</b>	<b>2,187</b>	<b>13,054</b>	<b>41,494</b>	<b>2,670</b>	<b>44,164</b>

	Payroll Remediation \$000	Lease Make-Good \$000	Restructuring \$000	Other Provisions \$000	ACC Partnership Programme \$000	Onerous Lease \$000	Total \$000
<b>Balance at 1 July 2021</b>	817	2,953	7,448	1,261	146	2,222	14,847
Additional provisions made	–	169	6,588	30,286	16	6,441	43,500
Provision utilised during the year	–	(52)	(7,433)	(704)	–	(5,978)	(14,167)
Reversal of previous provision	–	(3)	–	–	–	(13)	(16)
<b>Balance at 30 June 2022</b>	<b>817</b>	<b>3,067</b>	<b>6,603</b>	<b>30,843</b>	<b>162</b>	<b>2,672</b>	<b>44,164</b>
Additional provisions made	–	3,769	3,331	287	–	–	7,387
Provision utilised during the year	(57)	(220)	(2,758)	(3,390)	–	(2,672)	(9,097)
Reversal of previous provision	–	(2,847)	(3,827)	(22,422)	(14)	–	(29,110)
Other movement	–	–	–	(290)	–	–	(290)
<b>Balance at 30 June 2023</b>	<b>760</b>	<b>3,769</b>	<b>3,349</b>	<b>5,028</b>	<b>148</b>	<b>–</b>	<b>13,054</b>

## **Note 14: Provisions (continued)**

### **Payroll Remediation Project**

The payroll remediation project to correct historical *Holidays Act 2003* payroll issues has now been completed. The remaining provision at 30 June 2023 represents MBIE's best estimate of the remaining remediation costs to be paid out. This now only relates to former employees where they have not yet been contacted, verified and for whom the required documentation has been received. MBIE continues to try to contact these former employees.

### **Lease Make Good**

MBIE is required, at the expiry of its leases, to make good any damage caused and remove any fixtures or fittings installed by it. In many cases MBIE has the option to renew these leases, which may change the timing of the expected cash outflows to make good the premises.

### **Onerous Lease**

The provision for onerous lease arises from non-cancellable leases where the unavoidable costs of meeting the lease contracts exceed the economic benefits being received.

The lease is onerous due to the site closure of the offshore Immigration Visa Processing office in Beijing. The lease contract expired in February 2023 and the onerous lease provision has been fully released.

### **Restructuring**

The restructuring provision arises from internal restructuring programmes. The restructuring provision relates to the expected redundancies resulting from change programmes within MBIE. Management expects this to happen in the next 12 months.

### **Other Provisions**

Other provisions include provision for early termination fee, cost for reducing usage of the network service and other pending disputes under review.

## Note 15: Employee Entitlements

**P** Sick leave, annual leave, vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Current Employee Entitlements

Current employee entitlements are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date; annual leave earned but not yet taken at balance date; retirement and long service leave entitlements expected to be settled within 12 months; sick leave; and performance payments.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that MBIE anticipates it will be used by staff to cover those future absences.

A liability for performance payments is recognised where MBIE has a contractual obligation or where there is a past practice that has created a constructive obligation.

### Non-Current Employee Entitlements

Non-current employee entitlements, such as long service leave and retirement gratuities, are calculated on an actuarial basis. The calculations are based on:

- › likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlements information
- › the present value of the estimated future cash flows.

### Termination Benefits

Termination benefits are recognised in the surplus or deficit only when there is a demonstrable commitment to either terminate employment prior to normal employment date or to provide such benefits as a result of a position becoming redundant. Termination benefits settled within 12 months are reported at the amount expected to be paid.

## Note 15: Employee Entitlements (continued)

	Actual 2023			Actual 2022		
	Current \$000	Non- current \$000	Total \$000	Current \$000	Non- current \$000	Total \$000
Accrued salary	18,590	–	18,590	26,878	–	26,878
Annual leave	42,857	–	42,857	47,380	–	47,380
Long service leave	2,123	5,074	7,197	1,709	3,814	5,523
Retirement leave	1,284	1,617	2,901	1,156	1,886	3,042
Sick leave	1,157	–	1,157	637	–	637
<b>Total employee entitlements</b>	<b>66,011</b>	<b>6,691</b>	<b>72,702</b>	<b>77,760</b>	<b>5,700</b>	<b>83,460</b>

An independent actuarial valuation was undertaken by David Chamberlain of Melville Jessup Weaver as at 30 June 2023 to estimate the present value of retirement leave and long service leave. The key assumptions used in determining the present values were:

- › term-specific discount rates derived from yields on Treasury Bills and Government Bonds
- › a salary growth rate of 1.5 per cent on 1 July 2023.

### Sensitivity Analysis

If the discount rate were to increase or decrease by 1 per cent more than MBIE's estimates, with all other factors held constant, the carrying amount of the liability would be \$0.359 million lower and \$0.395 million higher respectively (2022: \$0.297 million lower and \$0.325 million higher).

If the salary growth rate were to increase or decrease by 1 per cent more than MBIE's estimates, with all other factors held constant, the carrying amount of the liability would be \$0.460 million higher and \$0.425 million lower respectively (2022: \$0.375 million higher and \$0.349 million lower).

The current liability represents the amount due for potential settlement within the next 12 months.

# Financial Risk Management

We are exposed to various financial risks. This section discusses how financial risks can affect our financial position and net surplus or deficit and how we manage risks in order to minimise risk exposure.

## Note 16: Financial Instruments and Risk Management

### **P** Classification of Financial Instruments

Financial instruments are initially recognised at fair value and subsequently measured at amortised cost or at fair value either through surplus or deficit, or through comprehensive revenue and expense. This classification is made by reference to the purpose and nature of the financial instrument or group of financial instruments.

### **Non-Derivative Financial Assets and Liabilities**

Non-derivative financial assets are subsequently measured at amortised cost if they are held for the purpose of collecting contractual cash flows and those cash flows are solely related to payments of principal and interest. Interest, impairment losses and foreign exchange gains and losses are recognised in the Statement of Comprehensive Revenue and Expense.

Non-derivative financial liabilities are subsequently measured at amortised cost.

### **Cash and cash equivalents**

Cash and cash equivalents are measured at amortised cost and include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less. Balances denominated in foreign currencies are translated to New Zealand dollars at the foreign exchange rate at balance date. MBIE is only permitted to spend its cash and cash equivalents within the scope and limits of its appropriations.

### **Allowances for expected losses**

An expected credit loss model is used to recognise and calculate impairment losses for financial assets subsequently measured at amortised cost with the simplified approach to providing credit losses being applied to trade and other receivables.

MBIE has adopted the simplified approach to impairment provision for trade and other receivables. The provision is recognised at an amount equal to lifetime expected credit losses. The allowance for doubtful debts on individually significant trade and other receivables is determined on an individual basis, and those deemed to be not individually significant are assessed on a portfolio basis.

## Note 16: Financial Instruments and Risk Management (continued)

### **P** Derivative Financial Assets and Liabilities

Derivative financial instruments are used to manage the exposure to foreign exchange risk arising from MBIE's operational activities. MBIE does not hold or issue derivative financial instruments for trading purposes. MBIE has not adopted hedge accounting.

Derivative financial instruments are recognised and subsequently measured at fair value. Movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Revenue and Expense. When the fair value of the derivative is positive, it is treated as an asset, and when the fair value is negative, it is treated as a liability. Fair values are obtained from quoted market prices in active markets. Derivative financial instruments are not used for hedging.

### Fair value hierarchy

For those instruments recognised at fair value in the Statement of financial position, fair values are determined according to the following hierarchy:

1. Quoted market price (level 1) – financial instruments with quoted prices for identical instruments in active markets.
2. Valuation technique using observable inputs (level 2) – financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
3. Valuation techniques with significant non-observable inputs (level 3) – financial instruments valued using models where one or more significant inputs is not observable.

MBIE's departmental financial assets and liabilities as at 30 June 2023 and 2022 were valued at fair value using observable inputs (level 2). There are no quoted market prices (level 1) for these instruments.

There were no transfers between the different levels of the fair value hierarchy.

## **Note 16: Financial Instruments and Risk Management (continued)**

MBIE's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. MBIE has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### **Market Risk**

#### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

MBIE's largest direct foreign exchange exposure arises from the offshore branch and agency network that provides immigration services. Application fees are collected in more than 20 currencies through this network. The offshore branch network incurs local expenses, providing a natural hedge for the branch revenue. MBIE's convention is for branches to retain buffers in foreign currency accounts up to the value of an average month's expenditure.

Under MBIE's foreign exchange management policy, MBIE returns excess funds to New Zealand and converts them to New Zealand dollars.

Application fees are set by regulation in New Zealand dollars. Foreign currency equivalent fees are set by MBIE to reflect the New Zealand amount. Foreign currency transaction exposure is also mitigated to some extent by the ability of MBIE to initiate updates of foreign currency fees to bring them into line with prevailing market conditions.

#### **Sensitivity analysis**

Impact of a 5 per cent movement, both up and down, in the New Zealand dollar against other currencies held by MBIE in its foreign currency account with all other variables held constant at 30 June 2023 is not material for MBIE's net surplus (2022: not material).

#### **Fair value interest rate risk**

Interest rate risk is the risk that the fair value of, or cash flows from, a financial instrument will fluctuate due to changes in market interest rates. MBIE has no significant exposure to interest-bearing financial instruments and therefore does not experience interest rate risk.

#### **Credit risk**

Credit risk is the risk that a third party will default on its obligations to MBIE, resulting in a loss. In the ordinary course of MBIE's business, it is exposed to credit risk in association with financial assets held. MBIE is not exposed to significant concentrations of credit risk. MBIE is potentially exposed to credit risk for undrawn credit card facilities equal to the undrawn balance. The credit card facilities limit as at 30 June 2023 was \$3.200 million (2022: \$2.950 million).

MBIE uses Westpac as its main bank, which has a Standard & Poor's credit rating of AA-, and MBIE enters into foreign exchange contracts with the Treasury, which has a Standard & Poor's credit rating of AA+.

MBIE's maximum credit exposure is the carrying value of its financial assets. MBIE does not hold collateral as security against its financial assets.

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

#### **Liquidity risk**

Liquidity risk is the risk that MBIE will encounter difficulty raising liquid funds to meet its commitments as they fall due. In meeting its liquidity requirements, MBIE closely monitors its forecast cash requirements.

MBIE expects to settle all of its financial liabilities in a timely manner.

## Note 16: Financial Instruments and Risk Management (continued)

The carrying amounts of financial assets and financial liabilities in each financial instrument category are as follows.

Actual 2022 \$000		Notes	Actual 2023 \$000
<b>Financial assets measured at amortised cost</b>			
239,929	New Zealand held cash		269,984
9,355	Foreign currencies		19,404
249,284	Cash and cash equivalents		289,388
336,597	Debtors and other receivables	10	324,498
585,881	<b>Total financial assets</b>		613,886
<b>Financial liabilities measured at amortised cost</b>			
78,355	Creditors and other payables	11	75,179
78,355	<b>Total financial liabilities</b>		75,179

The following table analyses MBIE's financial liabilities, excluding derivatives, that will be settled, based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2023	Carrying amount (\$000)	Total contractual cash flows (\$000)	Up to 1 year	1 to 5 years	Over 5 years
Creditors and other payables	75,179	75,179	75,179	–	–
<b>Total</b>	75,179	75,179	75,179	–	–

2022	Carrying amount (\$000)	Total contractual cash flows (\$000)	Up to 1 year	1 to 5 years	Over 5 years
Creditors and other payables	78,355	78,355	78,355	–	–
<b>Total</b>	78,355	78,355	78,355	–	–

The notional principal amounts of outstanding foreign exchange forward contracts are as follows.

	Actual 2023 \$000		Actual 2022 \$000	
	Foreign Currency	NZD	Foreign Currency	NZD
Euro	50	89	–	–

# Other Disclosures

This section provides further information on MBIE’s equity and how our capital is managed. A number of our services are not funded by the Crown but by third-party users of those services. The revenue we receive for services and the costs we incur to provide them will not necessarily agree in each financial year. We therefore use memorandum accounts to record accumulated surpluses or deficits. Over the long term, memorandum account balances are expected to trend towards zero. Memorandum accounts provide transparency around outputs for which costs are fully recovered by fees, levies and other charges from third parties.

## Note 17: Equity

<p><b>P Equity</b></p> <p>Equity is the Crown’s investment in MBIE and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers’ funds, memorandum accounts and revaluation reserves.</p> <p><b>Property Revaluation Reserves</b></p> <p>Revaluation reserves relate to the revaluation of land and buildings to their fair value.</p>	<p><b>Memorandum Accounts</b></p> <p>Memorandum accounts reflect the cumulative surplus or deficit of those departmental services that are intended to be fully cost recovered from third parties through fees, levies or charges. The balance of each memorandum account is expected to trend towards zero over time.</p>
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## Note 17: Equity (continued)

### Taxpayer's Funds

Actual 2022 \$000		Notes	Actual 2023 \$000
381,172	Balance at 1 July		533,727
42,867	Net (deficit)/surplus		142,363
220,496	Capital injections		85,971
(66,844)	Other transfers to memorandum accounts		(139,926)
	– Other movement		4,406
	(25) Transfer of (asset)/liability to Ministry of Social Development		–
100,942	Transfer of net memorandum account accumulated (surpluses)/deficits for the year		(31,146)
(144,881)	Return of operating surplus to the Crown	13	(111,275)
533,727	<b>Balance at 30 June</b>		<b>484,120</b>

Note: MBIE pays a capital charge to the Crown on its taxpayers' funds at 31 December and 30 June each financial year (refer to Note 7).

### Property Revaluation Reserves

Actual 2022 \$000		Actual 2023 \$000
	<b>Revaluation reserves:</b>	
20,949	Balance at 1 July	26,842
5,893	Revaluation reserve movement	7,124
26,842	<b>Balance at 30 June</b>	<b>33,966</b>

Actual 2022 \$000		Actual 2023 \$000
	<b>Property revaluation reserves consist of:</b>	
15,147	Land revaluation reserve	13,647
11,695	Buildings revaluation reserve	20,319
26,842	<b>Total property revaluation reserves</b>	<b>33,966</b>

## Note 17: Equity (continued)

Memorandum accounts	Balance at 1 July \$000	Other revenue \$000	Departmental revenue and financial income \$000	Expenses \$000	Surplus/ (deficit) for the year \$000	Other Adjustment / Capital contribution \$000	Balance at 30 June \$000
<b>Year ended 30 June 2022*</b>							
Building controls	57,019	50,584	–	(41,419)	9,165	–	66,184
Registration and granting of intellectual property rights	28,762	28,021	–	(30,273)	(2,252)	–	26,510
Government procurement reform agenda	19,250	23,983	1,031	(19,333)	5,681	–	24,931
Registration and provision of statutory information	9,866	30,657	49	(33,398)	(2,692)	–	7,174
Management and enforcement of the <i>Radiocommunications Act 1989</i>	8,601	6,938	–	(7,138)	(200)	–	8,401
Occupational licensing – building practitioners	3,921	6,242	11	(6,036)	217	–	4,138
Occupational licensing – electrical workers	3,769	4,947	–	(7,554)	(2,607)	–	1,162
Standards New Zealand	(155)	5,648	40	(6,804)	(1,116)	–	(1,271)
<i>Unit Titles Act 2010</i>	(215)	142	–	(290)	(148)	–	(363)
Motor Vehicle Traders Register	(889)	1,264	–	(1,742)	(478)	–	(1,367)
National multi-use approvals	(1,772)	99	–	(292)	(193)	–	(1,965)
Electronic travel authority	(2,194)	1,150	–	(13,643)	(12,493)	2,194	(12,493)
Management of the Crown mineral estate	(3,382)	4,258	–	(3,773)	485	–	(2,897)
Immigration visa*	(79,226)	189,408	151	(283,870)	(94,311)	64,650	(108,887)
<b>Closing balance</b>	<b>43,355</b>	<b>353,341</b>	<b>1,282</b>	<b>(455,565)</b>	<b>(100,942)</b>	<b>66,844</b>	<b>9,257</b>
<b>Year ended 30 June 2023</b>							
Building controls	66,184	48,624	–	(43,218)	5,406	–	71,590
Registration and granting of intellectual property rights <sup>1</sup>	26,510	28,221	10	(33,753)	(5,522)	1,821	22,809
Government procurement reform agenda	24,931	31,371	1,118	(25,428)	7,061	–	31,992
Registration and provision of statutory information	7,174	32,227	–	(38,324)	(6,097)	–	1,077
Management and enforcement of the <i>Radiocommunications Act 1989</i>	8,401	7,857	–	(10,013)	(2,156)	–	6,245
Occupational licensing – building practitioners	4,138	6,443	56	(7,307)	(808)	–	3,330
Occupational licensing – electrical workers	1,162	6,503	–	(7,249)	(746)	–	416
Standards New Zealand	(1,271)	6,153	45	(7,584)	(1,386)	–	(2,657)
<i>Unit Titles Act 2010</i>	(363)	141	–	(329)	(188)	–	(551)
Motor Vehicle Traders Register	(1,367)	2,114	–	(1,883)	231	–	(1,136)
National multi-use approvals	(1,965)	(27)	–	(279)	(306)	–	(2,271)
Electronic travel authority <sup>2</sup>	(12,493)	21,848	–	(14,464)	7,384	8,834	3,725
Management of the Crown mineral estate	(2,897)	4,344	–	(4,350)	(6)	–	(2,903)
Immigration visa <sup>2</sup>	(108,887)	255,428	30	(227,179)	28,279	129,271	48,663
<b>Closing Balance</b>	<b>9,257</b>	<b>451,247</b>	<b>1,259</b>	<b>(421,360)</b>	<b>31,146</b>	<b>139,926</b>	<b>180,329</b>

\* Due to the accounting policy change in relation to INZ revenue, the Actual 2022 comparatives have been restated and its impact on MBIE's financial statements can be found in Note 2.

<sup>1</sup> Other Adjustment / Capital contribution includes MBIE equity transfer of \$1.821 million.

<sup>2</sup> Other Adjustment / Capital contribution includes capital injections of \$138.105 million.

## **Note 17: Equity (continued)**

### **Action Taken to Address Surpluses/(Deficits)**

#### **Building controls (surplus)**

The Building Controls memorandum account balance has increased to \$71.6 million at 30 June 2023. This is revenue driven, with a combination of high volumes of building consents and the ongoing increases in the cost of building work, which is attracting higher levels of levy revenue than what was forecast. Changes to the levy rate are under consideration. When this process reaches conclusion the specific changes and effective date will be confirmed.

#### **Registration and granting of intellectual property rights (surplus)**

A fee review for trademarks and patents was approved by Cabinet in March 2019 and implemented in February 2020. The fees were set below cost recovery in order to reduce the memorandum account surplus by approximately \$6 million per year to around \$10 million in June 2024. Since this fee review volumes and revenue have been much higher than expected (annual growth of 6 per cent in June 2021, 8 per cent in June 2022 and flat for June 2023). As a result the memorandum account has not reduced as quickly as expected. Additionally, the demand for Intellectual Property Office of New Zealand (IPONZ) services continues to grow and we have increased the size of the workforce to meet this demand. The resulting increase in expenditure will reduce the memorandum account balance to around \$4 million by June 2025. We also intend to start a fees review process in 2023/24.

#### **Government procurement reform agenda (surplus)**

The administration fee is continually reviewed for appropriateness and to ensure it meets the current and future costs of delivering and managing procurement system leadership including capability building across the system, all-of-government contracts and policy development and implementation. A significant programme of work is underway regarding data and transparency, agency collaboration and maximising public value with additional investment being made in electronic systems to allow efficient and effective

engagement between government buyers and suppliers. This, coupled with a decrease in revenue from changes to the way talent acquisition/external recruitment services are levied means a reduction in the surplus is forecasted for 2023/24.

#### **Registration and provision of statutory information (surplus)**

The surplus of memorandum account continues to decrease reflecting additional IT platform upgrade costs incurred in 2022/23. It is forecasted that the memorandum account will reach a nil balance by 2023/24. Work has commenced in 2022/23 on reviewing the fees and it is anticipated new fees will be in place by July 2025.

#### **Management and enforcement of the Radiocommunications Act 1989 (surplus)**

The new fees took effect on 1 October 2017 with a desired reduction in the surplus. The replacement of the electronic Register of Radio Frequencies system was implemented in 2022/23. The surplus in the memorandum account will fund the additional expenditure of the new system. An internal review of the memorandum account balance has commenced, and it is anticipated to start a fees review process in 2023/24.

#### **Occupational licensing, building practitioners (surplus) and Occupational licensing, electrical workers (surplus)**

New fees were put in place in January 2019 with the aim to address the trending deficits in both memorandum accounts. The memorandum accounts are currently in surplus and trending down. The new licensing system was fully implemented in 2022/23. The surplus of memorandum account will fund the additional expenditure of the new system. Work has commenced in 2022/23 on reviewing the fees and it is anticipated to start new fees in 2023/24.

#### **Standards New Zealand (deficit)**

Standards New Zealand implemented its pricing review in 2021/22 which reset pricing across all its products and services, taking into account its cost structure and the introduction of new products/services over a 10-year horizon. Though the memorandum account will remain in deficit for a number of years, the trend will be towards a nil balance in seven to ten years.

## Note 17: Equity (continued)

### Motor Vehicle Traders Register (deficit)

The new fees took effect on 1 August 2022. The level of fees includes recovering the deficit over a five-year period. It is forecasted that the memorandum account will reach a nil balance in 2026/27.

### National multi-use approvals (deficit)

The cost model for MultiProof is under review to find a preferred option to resolve the deficit that has accrued and to consider cost recovery options going forward. This may result in a fee review commencing in 2024.

### Management of Crown mineral estate (deficit)

The memorandum account deficit is largely similar in 2022/23 to 2021/22 with similar levels of revenue and expenses to previous years. We intend to undertake a review of fees, royalties and levies associated with the *Crown Minerals Act* in order to develop options to address the deficit.

### Electronic travel authority (surplus) and Immigration visa (surplus)

In the 2022/23 financial year, revenue for both immigration memorandum accounts recovered from the COVID-19 period due to borders restrictions removed,

interim fee and levy review increases effective from 1 August 2022 and higher than expected visa volumes. Along with these, one off impacts that positively impacted the memorandum accounts were, a large proportion of Resident Visa 2021 revenue recognised in 2022/23.

In January 2023 Joint Ministers agreed to write off both Visa and Electronic Travel Authority memorandum account deficits accrued during Covid period.

As a result of the recovery of visa revenue and write-offs of Covid deficit, the memorandum accounts have resulted in a surplus for 2022/23 and are expected to continue into 2023/24.

### Unit Titles Act 2010 (deficit)

Amendments to the *Unit Titles Act 2010* will reduce the fees for unit titles dispute resolution applications. It is anticipated that application volumes will increase accordingly; however, despite the increase in volumes of applications, the decreased fee revenue will lead to an increase in the memorandum account deficit. A small amount of funding for unit titles dispute resolution was received in Budget 2022 which may go some way to addressing the deficit.

## Note 18: Capital Management

The objective of managing MBIE's equity is to ensure that MBIE achieves its goals and objectives efficiently, while remaining a going concern. Where MBIE identifies that it does not have sufficient resources to achieve this objective, a capital injection is sought. Capital injections have and will be secured to ensure obligations are met as they fall due. MBIE will therefore continue to operate on a going concern basis.

As general government policy, with the exception of the balances retained in memorandum accounts and unrealised foreign exchange gains less losses, MBIE is not permitted to retain any operating surplus.

MBIE's capital is its equity, which comprises taxpayers' funds, memorandum accounts, and property revaluation reserves. Equity is represented by net assets. MBIE manages its revenues, expenses, assets, liabilities, and general financial dealings prudently.

MBIE's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and compliance with the government budget processes, Treasury Instructions, and the *Public Finance Act 1989*.

Actual 2022 \$000	Statement of departmental capital injections	Actual 2023 \$000	Unaudited Budget 2023 \$000
<b>Vote Business, Science and Innovation</b>			
220,496	MBIE – capital injection	85,971	54,751
(25)	Transfer to Ministry of Social Development	–	–

## Note 19: Related Party Transactions and Key Management Personnel

All related party transactions have been entered into on an arm's-length basis.

MBIE is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client-recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect MBIE would have adopted in dealing with the party at arm's-length in the same circumstances. Further, transactions with other government agencies are not disclosed as

related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Treasury has advised that the responsible Ministers – Hon Barbara Edmonds, Hon Carmel Sepuloni, Hon Grant Robertson, Hon Dr Megan Woods, Hon Ayesha Verrall, Hon Willie Jackson, Hon Andrew Little, Hon Peeni Henare, Hon Nanaia Mahuta, Hon Priyanca Radhakrishnan, Hon Kieran McAnulty, Hon Ginny Andersen, Hon Dr Duncan Webb – have certified that there have been no related party transactions for the year ended 30 June 2023 (2022: nil).

Actual 2022 \$000	Key management personnel compensation	Actual 2023 \$000
<b>Leadership Team, including the Chief Executive</b>		
4,752	Remuneration	4,589
12	Full-time equivalent staff	12

The above key management personnel disclosure excludes the ministers' remuneration. The remuneration of ministers and other benefits are set by the Remuneration Authority under the *Members of Parliament (Remuneration of Services) Act 2013* and are paid under PLA, and not paid by MBIE.

## Note 20: Events After the Balance Date

On 29 June 2023 the Cabinet Government Administration and Expenditure Review Committee agreed to transfer the Computer Emergency Response Team (CERT NZ) from Ministry Business Innovation Employment (MBIE) to the Government Communications Security Bureau (GCSB). This transfer was to enable GCSB to be the lead agency assuming responsibility of cyber security in the public service. Cabinet agreed that MBIE would transfer CERT NZ to GCSB before October 2023 and MBIE and GCSB have since agreed a transfer date of 31 August 2023. The corresponding transfer of the appropriation baselines from MBIE to GCSB will be ratified in the October Baseline Update 2023.

MBIE and GCSB have signed a Memorandum of Understanding (MoU) for services to be provided by both parties for the transition of CERT NZ from MBIE to GCSB. The full transition of all CERT NZ functions out of MBIE to GCSB is 30 June 2024.

There have been no other material events subsequent to balance date.

# Non-Departmental Schedules

## **Why We Include Non-Departmental Schedules?**

MBIE administers non-departmental activities on behalf of the Crown. As such, MBIE is responsible for the effective and efficient administration of contracts or payments for non-departmental activities and revenue or receipts. The *Public Finance Act 1989* makes the Chief Executive of MBIE accountable for the financial management of non-departmental activities.

We include the non-departmental schedules in our annual report to provide information on the financial extent of these activities.

## **What are Non-Departmental Schedules?**

The non-departmental schedules are prepared in accordance with Treasury Instructions and disclose non-departmental activities in the form of six separate schedules for revenue, expenses, assets, liabilities, commitments and contingencies.

The non-departmental schedules do not, and are not intended to, constitute a set of financial statements and therefore do not include elements that would be expected to be found in financial statements such as details of the surplus/(deficit) or a balance sheet.

## **What Principles are Applied?**

The measurement and recognition rules applied to the non-departmental schedules are consistent with NZ GAAP.

## Schedule of Non-Departmental Revenue

For the year ended 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000
434,069	Levies	3	501,056	451,937
202,728	Crown mineral royalties		213,369	182,510
132,014	Criminal proceeds (recovery)		22,792	20,000
72,658	Managed isolation and quarantine fees		–	–
40,711	Sale of radio spectrum		39,221	35,767
26,162	Tax revenue		22,669	23,000
22,082	Other revenue		14,761	–
	– Provision for Weathertight Services		8,071	–
8,087	Crown entities return of funding		–	–
2,232	Interest unwind – loans		237	–
940,743	<b>Total non-departmental revenue</b>		822,176	713,214

Explanation of major variances against Budget and significant accounting policies can be found in Note 3.

## Schedule of Non-Departmental Expenditure

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000	Unaudited Budget 2023 \$000
2,777,800	Vote Business, Science and Innovation	2,569,640	3,088,488
2,055,573	Vote Labour Market	2,212,251	2,213,438
579,559	Vote Building and Construction	56,178	56,996
800,909	GST input expense	726,569	723,454
12,263	Doubtful debts	(6,201)	–
11,475	Provision for Weathertight Services	–	–
6,237,579	<b>Total non-departmental expenditure</b>	5,558,437	6,082,376

Note: The total Vote Business, Science and Innovation is \$519 million lower than the Budget (Budget: \$3,088 million) mainly due to lower than expected spend relating to the research, science and innovation and regional development sectors.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

The accompanying notes form part of these non-departmental schedules.

## Schedule of Non-Departmental Assets

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000
<b>Current assets</b>				
900,268	Cash and cash equivalents	9	770,715	442,134
417,641	Debtors and other receivables	4, 9	380,256	319,380
8,469	Loans	9	10,828	–
1,975	Prepayments		3,595	1,542
233	Foreign exchange contracts	9	144	–
1,328,586	<b>Total current assets</b>		1,165,538	763,056
<b>Non-current assets</b>				
60,523	Loans	9	64,978	197,746
14,000	Investment in joint venture	10	14,000	14,000
9,290	Property and equipment	5	22,670	4,362
83,813	<b>Total non-current assets</b>		101,648	216,108
1,412,399	<b>Total non-departmental assets</b>		1,267,186	979,164

Explanation of major variances against Budget can be found in the relevant notes. In addition, MBIE monitors Crown entities and the Crown's investment in those entities is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in those entities is not included in this schedule.

## Schedule of Non-Departmental Liabilities

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000	Unaudited Budget 2023 \$000
<b>Current liabilities</b>				
558,383	Provisions	8	535,680	243,850
192,467	Creditors and other payables	6, 9	165,756	285,488
36,057	Unearned income	7	42,874	–
823	Employee entitlements		658	798
–	Foreign exchange contracts	9	54	–
787,730	<b>Total current liabilities</b>		745,022	530,136
<b>Non-current liabilities</b>				
355,288	Unearned income	7	375,483	413,060
69,224	Provisions	8	42,197	59,405
424,512	<b>Total non-current liabilities</b>		417,680	472,465
1,212,242	<b>Total non-departmental liabilities</b>		1,162,702	1,002,601

Explanation of major variances against Budget can be found in the relevant notes.

The accompanying notes form part of these non-departmental schedules.

## Schedule of Non-Departmental Commitments

As at 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
<b>Capital commitments</b>		
18,180	Loans	7,530
20,284	Investments	31,423
38,464	<b>Total capital commitments</b>	38,953
<b>Non-cancellable operating lease commitments</b>		
7,392	Not later than one year	-
7,392	<b>Total non-cancellable operating lease commitments</b>	-
45,856	<b>Total commitments</b>	38,953

### Capital Commitments

Capital commitments are the aggregate amount of capital expenditure contracted for but not recognised as paid or provided for at balance date.

Cancellable capital commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the Statement of Commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (that is, the minimum future payments).

#### Loans

MBIE on behalf of the Crown has one WorkSafe New Zealand loan commitment of \$7.530 million (2022: one WorkSafe New Zealand loan commitment of \$18.180 million).

### Investments

MBIE on behalf of the Crown, and the Energy Efficiency & Conservation Authority have entered tripartite agreements with 23 Crown entities in 2023 (2022: 16 Crown entities) for projects funded from the State Sector Decarbonisation Fund. Capital funding for these projects is being released on completion of milestones and as at 30 June 2023, \$29.710 million of funding was committed but not paid under these agreements (2022: \$20.284 million).

In addition, MBIE on behalf of the Crown entered into a contractual agreement with a property development company. The contract is for the design, construction, delivery and installation of relocatable houses to meet the needs of displaced whānau impacted by Cyclone Gabrielle in the Hawke's Bay region. The total capital commitment as at 30 June 2023 is \$1.713 million (2022: nil).

The accompanying notes form part of these non-departmental schedules.

## Schedule of Non-Departmental Contingent Liabilities and Contingent Assets

As at 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
<b>Quantifiable contingent assets</b>		
7,131	Criminal proceeds (recovery)	3,413
7,131	<b>Total quantifiable contingent assets</b>	3,413
<b>Quantifiable contingent liabilities</b>		
386	Guarantees and indemnities	28
386	<b>Total quantifiable contingent liabilities</b>	28

### Contingent Liabilities

Contingent liabilities are reported at the point at which the contingency is evident or when a present liability is unable to be measured with sufficient reliability to be recorded in the financial statements.

Contingent liabilities are not disclosed if the possibility of an outflow of resources embodying economic benefits or service potential is considered remote.

### Quantifiable Contingent Liabilities

There is one quantifiable contingent liability relating to a coal mining lease and satisfaction of obligations under that lease.

### Unquantifiable Contingent Liabilities

#### Rehabilitation of mineral mining sites

Funding or partial funding of rehabilitation of mine sites that were subject to mining licences under the *Mining Act 1971* or the *Coal Mines Act 1979* is also a contingent liability. Although this is primarily the responsibility of local authorities, there are limited circumstances where there may be a residual liability for the Crown.

#### Indemnity under section 63 of the *Corporations Act 1989*

There is an unquantifiable indemnity under section 63 of the *Corporations Act 1989* for whether the exercise of investigating powers, unless in the exercise of investing powers, the power has been exercised in bad faith.

The accompanying notes form part of these non-departmental schedules.

### Claim against the Crown for breach of fiduciary duty

There is a historical claim for breaches of fiduciary duties and for a constructive trust. A decision on the allocation of any potential liability rests with Cabinet. Both the extent of the potential liability and the proportion MBIE would be responsible for are unknown.

### Petroleum licence and permit holders

When licence and permit holders decommission their assets at the end of life of licences and permits, significant decommissioning costs will be incurred.

The refund against licence and permit holders can be considered as a contingent liability. Contingent liabilities cannot be quantified because the amounts are not able to be measured with sufficient reliability as at 30 June 2023.

### Possible claim for damage to roads

Geotechnical investigation works have been procured by the Crown to support a feasibility study into energy storage options during New Zealand's dry years. The contractor completing the works has been instructed to continue throughout winter. This has had an impact on the roads used to access the sites, which are more adversely affected by usage of heavy machinery during winter months. If damage continues to be caused some remediation costs may be sought.

### **Grounded New Zealand citizens and residents trying to enter New Zealand**

New Zealand citizens or residents are taking action where they perceive they have been excluded from entering New Zealand as a result of COVID-19 related border settings.

### **Indemnities provided for oil field decommissioning**

The Crown is decommissioning the Tui offshore oil field and has contracted with providers for the removal of subsea infrastructure removal and plugging and abandoning of wells. Indemnities have been given in relation to this activity.

### **Claim for relief in relation to petroleum permits**

There is a judicial review relating to the decision to award two onshore petroleum exploration permits as the outcome of Block Offer 2019. The claim for relief includes quashing the decision to grant the permits, any other relief the Court sees fit, and costs. The judicial review was dismissed by the High Court in August 2022. The High Court decision was appealed, heard by the Court of Appeal in May 2023. We are now awaiting the Court of Appeal decision.

### **Appeal on Crown proceedings decision**

A plaintiff has brought proceedings against the Crown for failing to take steps to reduce the adverse effects of climate change. As relief, the plaintiff is seeking a variety of declarations and costs. In July 2022, the High Court struck out the plaintiff's claim. The plaintiff appealed the decision and it is to be heard in November 2023.

### **Mining permits**

A plaintiff has filed judicial review proceedings in relation to various mining permits. The plaintiff is seeking a number of declarations from the Court in relation to the rights conferred by these permits and the area entitled to be mined.

## **Contingent Assets**

Contingent assets are reported at the point at which the contingency is evident or when a present asset is unable to be measured with sufficient reliability to be recorded in the financial statements.

### **Criminal proceeds (recovery)**

Under the *Criminal Proceeds (Recovery) Act 2009*, the Court has the power to order seizure of property that has been derived directly or indirectly from criminal activity. The Official Assignee on behalf of the Crown works with other departments and Crown agencies by providing expertise for efficient and effective asset seizure, management, and disposal.

### **Quantifiable Contingent Assets**

The estimated fair value of \$3.413 million has been identified as contingent assets for the 2022/23 year (2022: \$7.131 million). They are from all the assets linked with forfeiture orders issued by the Court, still within the expiry of the specified period of appeal at 30 June 2023.

### **Unquantifiable Contingent Assets**

The *Criminal Proceeds (Recovery) Act 2009* directs the Official Assignee to take into custody and control assets that are ordered to be restrained by the Court. The restrained property value forms part of the unquantifiable contingent asset at 30 June 2023 as the property under restraint by the Court has a high probability of transferring to the Crown, but cannot be reliably quantified.

## Note 1: Reporting Entity

The non-departmental schedules present financial information on public funds managed by MBIE on behalf of the Crown.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2023. For a full understanding of the Crown's financial position, results of operations and cash flows for the year, reference should be made to the Financial Statements of the Government.

## Note 2: Basis of Preparation and Accounting Policies

### Basis of Preparation

The non-departmental schedules have been prepared in accordance with the accounting policies of the consolidated Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Measurement and recognition rules applied in the preparation of these non-departmental schedules are consistent with NZ GAAP and PBE IPSAS.

### New or Amended Standards Adopted

#### PBE IPSAS 41 *Financial Instruments*

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. MBIE has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

### Standard Issued and Not Yet Effective and Not Early Adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to MBIE are:

#### *2022 Omnibus Amendment to PBE Standards*

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- › PBE IPSAS 16 *Investment Property*: The amendments clarify that fair value measurement of self-constructed investment property could commence before construction is complete.
- › PBE IPSAS 17 *Property, Plant and Equipment*: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- › PBE IPSAS 30 *Financial Instruments: Disclosures*: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- › PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (therefore, whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

These amendments are not expected to have a significant impact.

## **Note 2: Basis of Preparation and Accounting Policies (continued)**

### **Significant Accounting Policies**

The following significant accounting policies have been applied. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

Certain non-departmental accounting policies are substantially the same as those disclosed in the departmental financial statements. The following accounting policies can be found in Note 2 to the departmental financial statements:

- › Functional and presentation currency
- › Change in accounting policies
- › Foreign currency transactions
- › Contingent liabilities and contingent assets
- › Critical accounting estimates, assumptions and judgements in applying accounting policies

Additionally, where an accounting policy that is disclosed in a specific note is substantially the same as that disclosed in the departmental financial statements, reference is provided as to where that accounting policy can be found in the departmental financial statements.

### **Grant Expenditure**

Non-discretionary grants are awarded if the grant application meets the specified criteria. They are recognised as an expense when the application has been received. MBIE's non-discretionary grants have no substantive conditions (i.e. use for restricted purposes or repay).

For discretionary grants MBIE has no obligation to award a grant on receipt of an application. For discretionary grants without substantive conditions, the total committed funding is recognised as an expense when the grant is approved, and the approval has been communicated to an applicant.

Discretionary grants with substantive conditions are recognised as an expense at the earlier of the grant payment date or when the grant conditions have been satisfied.

### **Goods and Services Tax (GST)**

All items in the non-departmental schedules are stated exclusive of GST, except for receivables and payables, which are stated on a GST inclusive basis. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as a separate expense and eliminated against GST revenue on consolidation of the Financial Statements of the Government.

### **Budget Figures**

The 2023 Budget are the Main Estimates figures for the year ended 30 June 2023 and are consistent with MBIE's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update 2022 for this year.

## Note 3: Revenue

### **P** Revenue from Non-Exchange Transactions

#### **Levies**

Revenue from the collection of levies is a non-exchange transaction because the payment of these levies does not entitle the payer to a direct benefit from the Crown. The revenue recognition point is when the obligation to pay a levy has been incurred.

#### **Fees**

Revenue from fees is recognised as income in the period when the service was provided.

#### **Criminal proceeds (recovery)**

The Official Assignee on behalf of the Crown is responsible for administering the forfeiture of property under the *Criminal Proceeds (Recovery) Act 2009*. Under the Act, the Court has the power to order seizure of property that has been derived directly or indirectly from criminal activity. When the forfeited assets are sold or disposed of by the Official Assignee the resulting funds, after recovery of the expenses, are distributed to approved other parties. Any surplus funds are transferred to the Crown account via Criminal Proceeds (Recovery) Trust Account.

Criminal proceeds (recovery) revenue is recognised as an accounting accrual for the estimated fair value linked with forfeiture orders issued by the Court, following the expiry of the specified period of appeal.

#### **Interest unwind – loans**

At the point of recognition, concessionary loans are discounted to fair value, predominantly to reflect the time value of money. As concessionary loans become closer to being repaid, their present value increase. This increase in value is recognised as interest unwind.

The interest unwind has been calculated using the discount rate at the start of the year, which ranges from 4.2 per cent to 15 per cent.

#### **Crown mineral royalties**

Revenue from royalties charged on the mining of petroleum and minerals is a non-exchange transaction because the payment of royalties does not entitle the payer to a direct benefit from the Crown. The revenue recognition point is when the obligation to pay a royalty has been incurred.

## Note 3: Revenue (continued)

### Levies

Actual 2022 \$000		Actual 2023 \$000
	<b>Levies</b>	
149,372	Health and safety at work levy	110,661
81,221	Electricity Authority levy	101,378
75,563	Immigration and migrant levies	86,807
41,648	Financial Markets Authority levy	55,605
46,195	Energy safety levy	52,198
3,327	International visitor levy	44,871
5,423	Telecommunications regulation levy	17,325
10,315	Telecommunications development levy	10,882
10,858	Levy on electricity line business	9,258
3,068	Levy on natural gas services	4,268
4,006	External Reporting Board levy	4,061
2,496	Major hazards facilities levy	2,487
577	Levy on regulated airports	1,255
434,069	<b>Total levies revenue</b>	501,056



#### Explanation of Major Variances Against Budget

Total non-departmental revenue is \$108.962 million higher than the Budget (Budget: \$713.214 million). This comprises higher levies revenue, specifically the International visitor levy, which increased more than

anticipated after borders re-opened this financial year. It also includes Crown mineral royalties revenue because the market continued to recover faster from the effects of the pandemic than initially budgeted for.

## Note 4: Debtors and Other Receivables

### P Debtors and Other Receivables

Debtors and other receivables are non-derivative financial assets measured at amortised cost and initially recorded at their face value. Debtors and other receivables are subsequently revalued to face value less any allowance for expected future credit losses when there is objective evidence that the asset is impaired.

Impairment relating to expected future credit losses occurs when there is evidence that the full amount due is not collectable. The amount of the impairment is the difference between the carrying amount and the present value of the amount expected to be collected.

Actual 2022 \$000		Actual 2023 \$000
<b>Receivables from exchange transactions</b>		
193,940	Other receivables	139,526
(13,686)	Less allowance for credit losses	(4,481)
180,254	Net receivables from exchange transactions	135,045
<b>Receivables from non-exchange transactions</b>		
236,610	Fine, levy and penalties receivables	244,521
21,094	Overclaimed income-related rent subsidy	20,825
(20,317)	Less allowance for credit losses	(20,135)
237,387	Net receivables from non-exchange transactions	245,211
417,641	<b>Total debtors and other receivables</b>	<b>380,256</b>

The carrying value of debtors and other receivables approximates their fair value.

As at 30 June 2023, debtors and other receivables of \$377.385 million were not past due (2022: \$413.738 million). Debtors and other receivables greater than 30 days in age are considered to be past due but not impaired. The provision for impairment of debtors and other receivables consists of specific individual impairment provisions based on a review of overdue

receivables, and a collective impairment provision based on an analysis of past collection history and debt write-offs.

The collective provision for impairment of \$24.616 million (2022: \$34.003 million) and the decrease in provision for impairment of \$5.195 million (2022: increase of \$11.377 million) have been calculated based on expected credit losses. MBIE does not hold the collateral for debts greater than 90 days.

#### Movements in the provision for impairment of receivables are as follows:

Actual 2022 \$000		Actual 2023 \$000
23,034	Balance at 1 July	34,003
11,377	Increase in the provision during the year	–
–	Decrease in the provision during the year	(5,195)
(408)	Provision reversed during the year	(4,192)
34,003	<b>Balance at 30 June</b>	<b>24,616</b>

## Note 4: Debtors and Other Receivables (continued)

The allowance for credit losses is determined as follows:

30 June 2023

	Receivables days past due				Total
	Not due	More than 30 days	More than 60 days	More than 90 days	
Gross carrying amount of other receivables (\$000)	377,385	59	128	6,475	384,047
Lifetime expected credit loss (\$000)	(98)	(18)	(38)	(4,327)	(4,481)
Net carrying amount of other receivables (\$000)	377,287	41	90	2,148	379,566
Expected credit loss rate	0.03%	31%	30%	67%	
Gross carrying amount of overclaimed income-related rent subsidy (\$000)	–	–	–	20,825	20,825
Lifetime expected credit loss (\$000)	–	–	–	(20,135)	(20,135)
Net carrying amount of overclaimed income-related rent subsidy (\$000)	–	–	–	690	690
Expected credit loss rate	0%	0%	0%	97%	

30 June 2022

	Receivables days past due				Total
	Current	More than 30 days	More than 60 days	More than 90 days	
Gross carrying amount of other receivables (\$000)	413,738	4,200	3,063	9,549	430,550
Lifetime expected credit loss (\$000)	(1,485)	(2,373)	(2,510)	(7,318)	(13,686)
Net carrying amount of other receivables (\$000)	412,253	1,827	553	2,231	416,864
Expected credit loss rate	0.36%	57%	82%	77%	
Gross carrying amount of overclaimed income-related rent subsidy (\$000)	–	–	–	21,094	21,094
Lifetime expected credit loss (\$000)	–	–	–	(20,317)	(20,317)
Net carrying amount of overclaimed income-related rent subsidy (\$000)	–	–	–	777	777
Expected credit loss rate	0%	0%	0%	96%	



### Explanation of Major Variances Against Budget

Non-departmental debtors and other receivables is \$60.876 million higher than the Budget (Budget: \$319.380 million) largely due to increased accruals to revenue streams such as Criminal proceeds

(recovery), Crown mineral royalties and levies receivable from Crown entities which were not anticipated when the budget was produced.

## Note 5: Property and Equipment

**P** Property and equipment consist of buildings, temporary accommodation, textphone equipment and infrastructure assets.

### Measurement

Buildings are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Additions

Items of property and equipment are recognised at cost if it is probable that future economic benefits or service potential will flow to MBIE, and the cost of the item can be measured reliably. Where an item of property and equipment is acquired at no cost (or for a nominal amount), it is recognised at its fair value on the date of acquisition.

Costs incurred subsequent to the initial recognition of an item of property and equipment are only recognised where it can be demonstrated that there has been an increase in the inflow of future economic benefits or service potential. Costs relating to the servicing or maintenance of items of property and equipment are recognised in the Schedule of Non-Departmental Expenditure when incurred.

Work in progress is recognised at cost less impairment losses and is not depreciated.

### Depreciation

Depreciation is charged on a straight-line basis, at rates that will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives. The useful lives of major categories of property and equipment have been estimated as follows.

<b>Asset class</b>	<b>Useful life</b>
Buildings	50 years
Temporary accommodation	2–4 years
Auckland Queen's Wharf	10 years
Textphone equipment	4 years

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

### Revaluation

Buildings are revalued by an independent registered valuer at least once every three years to ensure that their carrying amount does not differ materially from their fair value. A revaluation change is recognised against the revaluation reserve. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

### Impairment

Property and equipment are reviewed for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. An impairment loss is recognised immediately in the Schedule of Non-Departmental Expenditure.

### Disposals

Gains and losses on disposal of an item of property and equipment represent the difference between disposal proceeds, if any, and the carrying value of the asset at the time of disposal and are recognised in the Schedule of Non-Departmental Revenue or the Schedule of Non-Departmental Expenditure.

If a previously revalued asset is disposed of, the relevant amount held in the asset revaluation reserve is transferred to taxpayers' funds.

## Note 5: Property and Equipment (continued)

	Temporary accommodation \$000	Auckland Queen's Wharf \$000	Textphone equipment \$000	Buildings \$000	WIP \$000	Total \$000
<b>Year ended 30 June 2022</b>						
Cost	1,510	20,000	114	5,128	307	27,059
Accumulated depreciation	(781)	(20,000)	(114)	-	-	(20,895)
<b>Opening net book value</b>	729	-	-	5,128	307	6,164
Additions	-	-	-	-	3,875	3,875
Transfers from WIP	-	-	-	-	-	-
Revaluation	-	-	-	(441)	-	(441)
Disposals	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-
Depreciation	(308)	-	-	(966)	-	(1,274)
Depreciation released on disposals	-	-	-	-	-	-
Accumulated depreciation reversed on revaluation	-	-	-	966	-	966
<b>Closing net book value</b>	421	-	-	4,687	4,182	9,290
<b>Year ended 30 June 2023</b>						
Cost	1,510	20,000	114	4,687	4,182	30,493
Accumulated depreciation	(1,089)	(20,000)	(114)	-	-	(21,203)
<b>Opening net book value</b>	421	-	-	4,687	4,182	9,290
Additions	9,436	-	-	-	14,611	24,047
Transfers from WIP	-	-	-	-	(9,435)	(9,435)
Revaluation	-	-	-	(123)	-	(123)
Disposals	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-
Depreciation	(1,109)	-	-	(916)	-	(2,025)
Depreciation released on disposals	-	-	-	-	-	-
Accumulated depreciation reversed on revaluation	-	-	-	916	-	916
<b>Closing net book value</b>	8,748	-	-	4,564	9,358	22,670
Cost	10,946	20,000	114	4,564	9,358	44,982
Accumulated depreciation	(2,198)	(20,000)	(114)	-	-	(22,312)
<b>Closing net book value</b>	8,748	-	-	4,564	9,358	22,670

The most recent valuation of the non-residential building was performed by an independent registered valuer, Hunter Williams of Beca Projects NZ Limited, with an effective date of 30 June 2023.

The valuation was completed in accordance with *PBE IPSAS 17 Property, Plant and Equipment*. The depreciated replacement cost approach was used because it is deemed to be appropriate for specialised assets seldom traded on an open market.

## Note 6: Creditors and Other Payables

**P** Short-term creditors and other payables are recorded at face value.

Actual 2022 \$000		Actual 2023 \$000
128,847	Accrued expenses	126,966
35,735	Grant payable	29,151
22,569	Trade creditors	2,233
5,316	GST payable	7,406
192,467	<b>Total creditors and other payables</b>	165,756

Creditors and other payables are non-interest bearing.

### **i** Explanation of Major Variances Against Budget

Creditors and other payables are \$119.732 million lower than the Budget (Budget: \$285.488 million) mainly due to lower than expected payables accrued relating to the research, science and innovation and regional development sectors.

## Note 7: Unearned Income

**P** Unearned income relates to cash received in advance of the period in which it will be recognised as revenue.

Actual 2022 \$000		Actual 2023 \$000
36,057	Radio spectrum sales – current	42,874
355,288	Radio spectrum sales – non-current	375,483
391,345	<b>Total unearned income</b>	418,357

Under the *Radiocommunications Act 1989*, sales of management rights over portions of the radio spectrum occur from time to time. The rights extend for varying periods and are paid for upfront and carry implementation requirements.

Once these requirements have been fulfilled, the holder retains the rights through to the end of the specific term, after which they revert to the Crown and may be re-offered for sale.

**Note 8: Provisions**

**P** MBIE recognises a provision when there is a present obligation, either legal or constructive, as the result of a past event and it is probable that an outflow of resources will be required to settle the obligation but the timing or the amount of obligation is uncertain.

Where the effect of the time value of money is material, provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the liability.

## Critical Accounting Estimates, Assumptions and Judgements

The estimates, assumptions and judgements that may have a significant risk of causing a material adjustment to the carrying amounts of provisions within the next financial year are disclosed below.

### Provision for Weathertight Services Financial Assistance Package (FAP)

The provision relating to Weathertight Services is calculated based on three critical assumptions:

- › an estimate of the remaining cost to remediate leaky homes for claims repaired through the FAP scheme
- › the present value of future cash flows that is estimated using a discount rate
- › the discontinuance transition rate of applicants who cease progressing their claim.

### New Zealand Screen Production Grant provision

Actual expenditure is sensitive both to the number and size of qualifying productions. The approximate amount of the grants and timing of payments are estimated in advance.

### Oil field decommissioning

The Tui oil field decommissioning provision has been based on contracted prices and an assessment of the oil field's technical status and adjusted by personnel in the decommissioning team with experience in the oil and gas industry. The model used to estimate cost uses the best estimates, exchange rates at 30 June 2023, and applies a risk margin for individual items based on previous experience and the team's knowledge of the oil and gas industry. There are multiple uncertainties and sensitivities that will affect the actual cost of decommissioning.

These uncertainties include:

- › fluctuations in the cost of key elements of the decommissioning
- › market factors, including global availability of providers
- › weather delays
- › unforeseen technical complexities leading to increased cost and delay
- › inflation and foreign exchange movements
- › external factors such as COVID-19.

### Key assumptions

- › Assumptions regarding the type of equipment used have been made for costing. The actual type of equipment used will be dictated by market availability and will influence costs.
- › A risk margin has been applied to line items individually, based on the level of uncertainty expected.

### Timing of expenditure

The majority of remaining costs to be incurred are expected to occur in the 2023/24 financial year, assuming contractually notified windows for the final phases of work are met. Any costs after the 2023/24 financial year are related to project closure.

The timing of expenditure is dependent on multiple uncertainties, including supplier availability as the drilling/intervention equipment required for the work are currently outside New Zealand.

### Fair value write-down on concessionary loans

The most critical assumption for determining the fair value is the default rate of the loans.

## Note 8: Provisions (continued)

Actual 2022 \$000		Actual 2023 \$000
<b>Current</b>		
298,806	New Zealand Screen Production Grant	335,380
230,554	Oil field decommissioning	175,317
27,172	Weathertight Services FAP	24,983
1,851	Make-good provision	–
558,383	<b>Total current provisions</b>	<b>535,680</b>
<b>Non-current</b>		
47,182	Weathertight Services FAP	30,895
18,015	Fair value write-down on concessionary loans	8,645
4,027	Oil field decommissioning	2,657
69,224	<b>Total non-current provisions</b>	<b>42,197</b>
627,607	<b>Total provisions</b>	<b>577,877</b>

### Weathertight Services FAP Provision

The Weathertight Services FAP provision represents the Government's obligation to contribute 25 per cent of agreed repair costs to eligible owners of leaky homes under the Weathertight Services FAP.

#### Description of Weathertight Services FAP

The package offers qualifying homeowners a share of the agreed actual repair cost of repairing leaky homes. The Government and the territorial authority (if the territorial authority is participating in the FAP) each pay 25 per cent of the agreed repair cost and the homeowner pays the remaining 50 (or 75) per cent.

Under the FAP, the homeowner agrees not to sue contributing territorial authorities and the Government, although homeowners can still pursue other liable parties such as builders, developers or manufacturers of defective products. The scheme became available to homeowners on 23 July 2011, and closed to new applications on 25 July 2016. Homeowners who were already working towards repairing through the FAP at this date can continue to do so.

The last date for homeowners to apply to bring a claim under the *Weathertight Homes Resolution Services Act 2006* was 31 December 2021. Since that time, Weathertight Services has been focused on assisting remaining open claims towards closure and/or resolution, and as at 30 June 2023, has 85 open claims

(from an overall total of 7,385 over the life of the Service). These claims cover 839 dwellings.

#### Key assumptions

There is still considerable uncertainty surrounding the estimate of the Government's likely remaining contribution. There are three critical assumptions: the remediation cost estimate, the discount rate, and the discontinuance transition rate (the rate at which applicants cease to progress their application).

#### Uncertainties

There are several reasons why the estimates are subject to a high level of uncertainty.

- › The ultimate costs of leaky buildings repairs are inherently uncertain.
- › The financial projection model is a simplification of the complex reality of the actual claims processes, and to the extent that hidden or un-modelled relationships are present, the model will be unreliable.
- › Past experience may not be a good guide as to what will happen in the future.
- › The data on which the analysis is based, and from which the assumptions are derived, is limited.
- › As the number of open claims continues to drop, the impact of an increase or decrease to costs for any one multi-unit claim will have a proportionally greater effect on the overall value of the provision.

## Note 8: Provisions (continued)

### Sensitivity Analysis

If the remediation cost estimate were to increase/decrease by 10 per cent compared to MBIE's estimates, with all other factors held constant, the estimate is unlikely to change. This is because an assumed increase or decrease is only applied where no remediation cost estimate exists, and at this stage of the Financial Assistance Package, most claims already have a remediation cost estimate.

If the discount rate were to increase/decrease by 2 per cent compared to MBIE's estimates, with all other factors held constant, the resulting estimates would be \$53.800 million higher and \$58.200 million lower respectively.

If the discontinuance transition rate were to double/halve compared to MBIE's estimates, with all other factors held constant, the resulting estimates would be \$53.500 million higher and \$57.700 million lower respectively.

### New Zealand Screen Production Grant

The New Zealand Screen Production Grant is a scheme that incentivises the attraction of screen productions to New Zealand. Examples of productions receiving payment include the Avatar sequels, Sweet Tooth television series and the Power Rangers series.

Under the scheme, productions may receive a payment of up to 20 per cent (with an additional 5 per cent provided in certain circumstances) on their New Zealand-based expenditure for international production depending on the types of activity they undertake. The grants are non-discretionary, applicants cannot be refused if they meet the criteria, and the scheme is uncapped.

The productions that make claims under the scheme typically signal their intention to apply to the New Zealand Film Commission, as administrator of the scheme, in advance of any application. The approximate amount and timing of payments are estimated in advance.

Actual expenditure is sensitive both to the number and size of qualifying productions. The provision is MBIE's best assessment of projects that will qualify for a payment and the expenditure patterns of the individual productions. It is only once applications have

been received and verified that the exact expenditure can be confirmed.

### Oil Field Decommissioning

The Tui oil field decommissioning provision was created to cover the estimated costs of decommissioning the Tui oil field by the Crown following the liquidation of its operator. The operator had insufficient assets to cover the decommissioning costs associated with its responsibilities as the oil field permit holder.

The Crown has an obligation to appropriately decommission the oil field to avoid harm to the marine environment.

The provision has been based on contract pricing and adjusted by technical experts, and represents the best estimate of the decommissioning cost. The model used to estimate cost uses a risk margin to reflect uncertainties, risks and sensitivities of the decommissioning. The following uncertainties were considered.

- › Fluctuations in the cost of key elements of the decommissioning, especially the cost of offshore oil rig and vessel hire. Rates fluctuate with industry demand.
- › Market factors, including global availability of providers, which could impact availability and timing of completion.
- › Weather delays – bad weather delays are days where weather conditions prevent offshore work from continuing. Costs relating to retaining crew and vessels are still incurred during bad weather delays. Historic forecasts are available but the actual conditions will only be known at the time of offshore execution.
- › Technical issues such as unforeseen problems in the wells and breakdown of equipment.
- › Inflation and foreign exchange movements, as the contracts are largely in US dollars.
- › COVID-19 delays such as lockdowns, outbreaks and the ability for vessels and crews to enter New Zealand.

## Note 8: Provisions (continued)

### Fair Value Write-Down on Concessionary Loans

Concessionary loans are designated at fair value through surplus or deficit under *PBE IPSAS 41 Financial Instruments*. The difference between the amount of the concessionary loan and the fair value on initial recognition is recognised as an expense. The fair value write-down

is recognised on the date the loan commitment is irrevocable. The provision at 30 June 2023 is for fair value write-down of the Crown Energy Efficiency, Inbound Tourist Operator, WorkSafe New Zealand and Hiringa Refuelling New Zealand Limited concessionary loan commitments that are undrawn (refer to Note 9).

	Weathertight Services FAP \$000	New Zealand Screen Production Grant \$000	Oil field decommissioning \$000	Fair value write-down on concessionary loans \$000	Make-good provision \$000	Total \$000
<b>Balance at 1 July 2021</b>	78,471	246,095	249,776	11,510	–	585,852
Additional provisions made	11,585	155,173	–	9,243	1,851	177,852
Provision utilised during the year	(15,702)	(87,728)	(42,939)	(2,738)	–	(149,107)
Reversal of provision	–	(14,734)	–	–	–	(14,734)
Effect of foreign exchange rate fluctuation	–	–	27,744	–	–	27,744
<b>Balance at 30 June 2022</b>	74,354	298,806	234,581	18,015	1,851	627,607
Additional provisions made	9,789	184,345	–	–	–	194,134
Provision utilised during the year	(28,265)	(141,376)	(57,940)	(4,317)	–	(231,898)
Reversal of provision	–	(6,394)	–	(5,054)	(1,851)	(13,299)
Effect of foreign exchange rate fluctuation	–	–	1,333	–	–	1,333
<b>Balance at 30 June 2023</b>	55,878	335,381	177,974	8,644	–	577,877

### **i** Explanation of Major Variances Against Budget

Provisions are \$274.622 million above the Budget (Budget: \$303.255 million). This is due to the Budget having a lower forecast for the New Zealand Screen Production Grant provision, due to the demand-driven nature of grants and the information available at the time of Budget

preparation. As well, the Oil field decommissioning provision stayed higher than anticipated at year end due to the timing of expenditure being dependent on multiple uncertainties, including supplier availability and the use of the provision not occurring as expected.

## Note 9: Financial Instruments

### **P** Classification of Financial Instruments

Financial instruments are initially recognised at fair value and subsequently measured at amortised cost or at fair value either through surplus or deficit, or through comprehensive revenue and expense. This classification is made by reference to the purpose and nature of the financial instrument or group of financial instruments.

### **Non-Derivative Financial Assets and Liabilities**

Non-derivative financial assets are subsequently measured at amortised cost if they are held for the purpose of collecting contractual cash flows and those cash flows are solely related to payments of principal and interest. Interest, impairment losses and foreign exchange gains and losses are recognised in the Schedule of Non-Departmental Revenue or Schedule of Non-Departmental Expenditure.

Non-derivative financial liabilities are subsequently measured at amortised cost.

### **Cash and Cash Equivalents**

Cash and cash equivalents are measured at amortised cost and include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less. Balances denominated in foreign currencies are translated to New Zealand dollars at the foreign exchange rate at balance date. MBIE is only permitted to spend its cash and cash equivalents within the scope and limits of its appropriations.

### **Allowances for Expected Losses**

An expected credit loss model is used to recognise and calculate impairment losses for financial assets subsequently measured at amortised cost with the simplified approach to providing credit losses being applied to trade and other receivables.

MBIE has adopted the simplified approach to impairment provision for trade and other receivables.

The provision is recognised at an amount equal to lifetime expected credit losses. The allowance for doubtful debts on individually significant trade and other receivables is determined on an individual basis, and those deemed to be not individually significant are assessed on a portfolio basis.

### **Concessionary Loans**

Concessionary loans are loans granted at below market terms. MBIE firstly assesses whether the substance of the transaction is a loan, a grant, an equity contribution, or a combination thereof. If MBIE has determined that the transaction is a loan, it assesses whether the transaction price represents the fair value of the loan on initial recognition. Fair value is determined by discounting all future cash receipts using a market-related rate of interest for a similar loan and concession write-down on initial recognition is recognised in the Schedule of Non-Departmental Expenditure.

Concessionary loans are designated at fair value through surplus or deficit under *PBE IPSAS 41 Financial Instruments*. The difference between the amount of the loan and the fair value on initial recognition is recognised as an expense. The initial fair value is lower than the amount of the initial loan for a number of reasons including that:

- › repayments may not be required for a number of years
- › the time value of money will erode the value of future payments because there is no interest charged in the first year
- › the interest rate charged is lower than the market interest rates for loans to small-to-medium businesses
- › borrowers may default on their obligations.

At the end of the year, predictive models are used to compare the carrying value to the fair value of the loan portfolio and the difference will be recognised in the Schedule of Non-Departmental Revenue or Schedule of Non-Departmental Expenditure.

## Note 9: Financial Instruments (continued)

The value of financial assets and financial liabilities in each of the financial instrument categories are as follows:

Actual 2022 \$000		Actual 2023 \$000
<b>Financial assets measured at amortised cost</b>		
900,268	Cash and cash equivalents	770,715
417,641	Debtors and other receivables	380,256
<b>Financial assets measured at fair value through surplus or deficit</b>		
68,992	Concessionary loans (refer to the following table)	75,806
233	Foreign exchange contracts	144
1,387,134	<b>Total financial assets</b>	1,226,921
<b>Financial liabilities measured at amortised cost</b>		
192,467	Creditors and other payables	165,756
<b>Financial liabilities measured at fair value through surplus or deficit</b>		
-	Foreign exchange contracts	54
192,467	<b>Total financial liabilities</b>	165,810

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in non-departmental schedules.

Actual 2022 \$000		Actual 2023 \$000
<b>Valuation technique: Level 2 – observable inputs</b>		
<b>Financial assets/(liabilities)</b>		
233	Forward foreign exchange contracts (net)	90

The following table analyses MBIE's financial liabilities, excluding derivatives, that will be settled, based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2023	Carrying amount (\$000)	Total contractual cash flows (\$000)	Up to 1 year	1 to 5 years	Over 5 years
Creditors and other payables	165,756	165,756	165,756	-	-
<b>Total</b>	165,756	165,756	165,756	-	-

2022	Carrying amount (\$000)	Total contractual cash flows (\$000)	Up to 1 year	1 to 5 years	Over 5 years
Creditors and other payables	192,467	192,467	192,467	-	-
<b>Total</b>	192,467	192,467	192,467	-	-

## Note 9: Financial Instruments (continued)

The following table analyses MBIE's forward foreign exchange contract derivatives into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

2023	Derivative financial instruments net carrying amount (\$'000)	Total contractual cash flows (\$'000)	Up to 1 year	1 to 5 years	Over 5 years
Gross settled forward foreign exchange contracts (net liability)	54	54	54	-	-
<b>Total</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>-</b>	<b>-</b>

2022	Derivative financial instruments net carrying amount (\$'000)	Total contractual cash flows (\$'000)	Up to 1 year	1 to 5 years	Over 5 years
Gross settled forward foreign exchange contracts (net liability)	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Concessionary Loans

#### Crown Energy Efficiency loans

The Crown Energy Efficiency loan scheme began in 1989 to provide interest-free loans to public sector organisations for energy efficiency and renewable energy projects.

The loan must be repaid in five years or less.

Loans are interest free for a maximum term of five years. Repayments are not required before five years, but the loan can be voluntarily repaid before then.

#### Inbound Tourist Operator (ITO) loans

In response to the impact of the COVID-19 pandemic, the Government agreed to provide loans to inbound tourist operators (ITOs), so that they were prepared to help rebuild visitation when international travel resumed. The availability for requesting ITO loan drawdowns ended on 30 June 2022 and the final loan drawdown balance was \$5.750 million. These loans will be closely monitored by Kānoa for the commercial viability and debt serviceability of ITOs. During 2022/23, the ITOs repaid \$1.100 million and the actual closing value as at 30 June 2023 is \$4.650 million.

Loans are subordinated (if applicable) and unsecured.

Loans are interest free for the first two years and then the interest rate is 3 per cent per annum for a maximum term of five years. The initial concession recognised on these loans was up to 93.6 per cent on the nominal value of the loans, which is now revised to 50 per cent. The unwinding of the concession recognised upfront has been processed in the 2022/23 year.

#### Research and development loan scheme

The research and development (R&D) loan scheme was set up to assist businesses performing R&D that were impacted by COVID-19. Loans of up to \$400,000 would be given to maintain R&D programmes and secure the highly skilled jobs associated with these programmes. The scheme was announced in May 2020, with the first loans issued in September 2020, and subsequently closed to applications on 31 March 2021 after the funds available had been fully allocated.

Loans were interest free if they are paid back within a year. Otherwise, the interest rate will be 3 per cent per annum for a maximum term of 10 years. Repayments are not required for the first three years. Monthly repayment instalments of principal and interest will be calculated to spread the amount of required repayments over the repayment period.

## Note 9: Financial Instruments (continued)

### Research and Development Tax Incentive (RDTI) in-year payments scheme

The Research and Development Tax Incentive (RDTI) in-year payments scheme was launched in March 2023. It is intended to support the RDTI by providing timely financial support to R&D-performing businesses. The scheme is open to all RDTI customers and is expected to be most attractive to companies for whom cashflow is critical. In-year payments are available in the form of interest-free loans, which are repayable once the customer has filed their RDTI supplementary return with Inland Revenue. Depending on filing dates, this will be between a few months and two years after the loan is paid out. If the loan is not repaid within one month of the due date, interest will be charged at Inland Revenue's "Use of Money" rate.

### WorkSafe New Zealand loans

An interest-free loan was approved as part of Budget 2019 to allow WorkSafe New Zealand to increase its capacity to improve the health and safety outcomes

of workers in New Zealand. The loan agreement was finalised in May 2021, with drawdown from the loan facility to be made from 2021 to the 2025 financial year.

The loan is interest free to the value of \$31.570 million, with the first annual repayment due on 30 June 2024, and the final repayment due on 30 June 2029.

An undrawn loan commitment of \$7.530 million is recognised in the Statement of Non-Departmental Commitments.

### Hiringa Refuelling New Zealand Limited loan

Hiringa Refuelling New Zealand Limited was provided a loan up to a maximum of 15 years via the Covid Recovery Respond Fund to build green hydrogen production and refuelling network across New Zealand focused on the heavy transport sector. The first four stations will provide coverage for the key heavy freight routes in the North Island. Interest rates are lower than the market rate, and no repayments are required before 15 years, but the loan can be voluntarily repaid before then.

The table below shows the fair value movement during the year, by loan type.

	Crown Energy Efficiency \$000	ITO \$000	R&D \$000	WorkSafe \$000	Hiringa Refuelling \$000	RDTI in-year payments \$000	Total \$000
<b>Year ended 30 June 2023</b>							
Opening fair value	4,821	4,952	48,567	10,652	–	–	68,992
New lending	3,334	–	–	10,530	2,163	2,309	18,336
Fair value write-down	(723)	(1,527)	–	(2,154)	(2,163)	–	(6,567)
Repayments	(2,229)	(1,100)	(1,850)	–	–	–	(5,179)
Interest unwind	224	–	–	–	–	–	224
<b>Closing fair value</b>	<b>5,427</b>	<b>2,325</b>	<b>46,717</b>	<b>19,028</b>	<b>–</b>	<b>2,309</b>	<b>75,806</b>
<i>Consists of:</i>							
Current	1,878	–	3,950	5,000	–	–	10,828
Non-current	3,549	2,325	42,767	14,028	–	2,309	64,978
<b>Fair value loans at 30 June 2023</b>	<b>5,427</b>	<b>2,325</b>	<b>46,717</b>	<b>19,028</b>	<b>–</b>	<b>2,309</b>	<b>75,806</b>

## **Note 9: Financial Instruments (continued)**

MBIE's activities expose it to a variety of financial instrument risks, including market risk, currency risk, credit risk and liquidity risk. MBIE has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

### **Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from contracts for the supply of future goods and services that are denominated in a foreign currency. MBIE, on behalf of the Crown, purchases capital expenditure and goods and services internationally and is exposed to currency risk arising from various currency exposures, primarily with respect to the US dollar, the Australian dollar and the euro.

### **Sensitivity Analysis**

The impact of a 5 per cent movement, both up and down, in the New Zealand dollar against various other currencies held by MBIE in its foreign currency account with all other variables held constant at 30 June 2023 is not material.

### **Contractual Maturity Analysis of Financial Liabilities**

Non-departmental financial liabilities consist solely of creditors and other payables. At balance date, the remaining periods to the contractual maturity dates were less than three months for all creditors and other payables. The amounts, disclosed above, are the contractual undiscounted cash flows.

### **Credit Risk**

Credit risk is the risk that a third party will default on its obligation to MBIE, causing MBIE to incur a loss.

In the normal course of its business, credit risk arises from debtors and other receivables, deposits with banks, and foreign exchange contracts.

MBIE generally deposits funds with Westpac (Standard & Poor's credit rating of AA-), a registered bank, and enters into foreign exchange forward contracts with the Treasury (Standard & Poor's credit rating of AA+). These entities have high credit ratings. For its other financial instruments, MBIE does not have significant concentrations of credit risk.

MBIE's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, debtors and other receivables, and foreign exchange contracts.

Although cash and cash equivalents as at 30 June 2023 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

### **Interest Rate Risk**

Interest rate risk is the risk that the fair value of, or cash flows from, a financial instrument will fluctuate due to changes in market interest rates. MBIE, on behalf of the Crown, has no significant exposure to interest-bearing financial instruments and therefore does not experience interest rate risk.

### **Liquidity Risk**

Liquidity risk is the risk that MBIE, on behalf of the Crown, will encounter difficulty raising liquid funds to meet its commitments as they fall due. In meeting its liquidity requirements, MBIE, on behalf of the Crown, closely monitors its forecast cash requirements and maintains a target level of available cash to meet liquidity requirements.

MBIE, on behalf of the Crown, expects to settle all of its financial liabilities in a timely manner.

## Note 9: Financial Instruments (continued)

The notional principal amount of outstanding foreign exchange contracts are as follows:

	Actual 2023 \$000		Actual 2022 \$000	
	Foreign Currency	NZD	Foreign Currency	NZD
US dollar	8,625	14,081	1,552	2,478

## Note 10: Investment in Joint Venture

Kaitōrete Limited (Te Taumutu Rūnanga and Wairewa Rūnanga) and the Crown entered into a joint venture to take on Project Tāwhaki. The goals of the project are to rejuvenate the environment, honour deep cultural and historical links and build sustainable economic opportunities.

Project Tāwhaki will see the purchase of a 1,000 ha property on the Kaitōrete Spit to:

- › protect and rejuvenate the Kaitōrete environment, an area of significant cultural importance to the Rūnanga and home to numerous threatened and locally endemic plant, invertebrate, bird, and reptile species with internationally recognised ecological value
- › develop aerospace activities and R&D facilities that have the potential to generate significant and sustainable economic opportunities through job creation, capital investment and adjacent sectors serving the aerospace economy.

In mid-2024, the joint venture board will bring a business case to both shareholders, including the Crown, with options on future investment and ownership structures.

## Note 11: Events After the Balance Date

There have been no material events subsequent to balance date.

# Statement of Expenses and Capital Expenditure Incurred Without, or In Excess of, Appropriation or Other Authority

The table below contains expenses incurred without, or in excess of, appropriation for the year ended 30 June 2023.

	Actual 2023 \$000	Appropriation Voted 2023 \$000	Unappropriated 2023 \$000
<b>Vote Business, Science and Innovation</b>			
<b>Non-departmental other expenses</b>			
North Island Weather Events – Plant and Food Research Limited Response and Recovery	11,000	–	11,000

## North Island Weather Events: Plant and Food Research Limited Response and Recovery

This appropriation authorises support for Plant and Food Research Limited to remain viable.

Due to the North Island weather events, additional support was agreed to through Budget 2023 for Plant and Food Research Limited. This was agreed to as an operating grant. However, the Ministry of Business,

Innovation and Employment made the support payment by way of Shareholder Subscription Agreement, which is a capital contribution from the Crown.

There was no appropriation in the Supplementary Estimates 2023 to make a capital contribution.

As a result, unappropriated expenditure was incurred.



# APPENDICES

Appendix 1: Residential Tenancies Trust Account	222
Appendix 2: Statement of Trust Monies	230
Appendix 3: Employee Information	232
Appendix 4: Immigration and Migrant Levies	233
Appendix 5: Building Advisory Panel	235
Appendix 6: International Visitor Conservation and Tourism Levy	236
Appendix 7: Other Disclosures	237
Appendix 8: Organisational Capability	238
Appendix 9: Sustainability	243

# Appendix 1: Residential Tenancies Trust Account

## Independent Auditor's Report

To the readers of the Residential Tenancies Trust Account's financial statements for the year ended 30 June 2023

The Auditor-General is the auditor of the Residential Tenancies Trust Account (the Trust Account). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust Account on his behalf.

### Opinion

We have audited the financial statements of the Trust Account on pages 225 to 229, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expense, statement of movements in bondholders fund and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust Account on pages 225 to 229:

- › present fairly, in all material respects:
  - its financial position as at 30 June 2023; and
  - its financial performance and cash flows for the year then ended; and
- › comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards with disclosure concessions.

Our audit was completed on 2 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below.

In addition, we outline the responsibilities of the Chief Executive of the Ministry of Business, Innovation and Employment, and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

### Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Chief Executive of the Ministry of Business, Innovation and Employment for the financial statements

The Chief Executive of the Ministry of Business, Innovation and Employment is responsible on behalf of the Trust Account for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Chief Executive of the Ministry of Business, Innovation and Employment is responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive of the Ministry of Business, Innovation and Employment is responsible on behalf of the Trust Account for assessing the Trust Account's ability to continue as a going concern. The Chief Executive of the Ministry of Business, Innovation and Employment is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Chief Executive of the Ministry of Business, Innovation and Employment intend to windup the Trust Account or to cease operations, or have no realistic alternative but to do so.

## **Responsibilities of the auditor for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- › We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- › We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Account's internal control.
- › We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive of the Ministry of Business, Innovation and Employment.
- › We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive of the Ministry of Business, Innovation and Employment and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Account's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Account to cease to continue as a going concern.

- › We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive of the Ministry of Business, Innovation and Employment regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## Other information

The Chief Executive of the Ministry of Business, Innovation and Employment is responsible for the other information. The other information comprises the information included on pages 2 to 224 and 230 to 251 but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Trust Account in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust Account.



Clint Ramoo

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
<b>Revenue</b>		
15,909	Interest earned from bank deposits	23,030
<b>Expenditure</b>		
15,909	Interest to MBIE	23,030
	– Net surplus	–
	– Other comprehensive revenue and expenses	–
	– <b>Total comprehensive revenue and expenses</b>	–

## Statement of Financial Position

As at 30 June 2023

Actual 2022 \$000		Notes	Actual 2023 \$000
<b>Current assets</b>			
11,041	Cash and cash equivalents		9,029
161,500	Investments	4	137,500
25,687	Interest receivable		32,170
70	Other current assets		189
198,298	<b>Total current assets</b>		178,888
<b>Non-current assets</b>			
560,000	Investments	4	668,000
560,000	<b>Total non-current assets</b>		668,000
758,298	<b>Total assets</b>		846,888
<b>Current liabilities</b>			
26,617	Interest payable to MBIE		33,112
75	Other current liabilities		111
26,692	<b>Total current liabilities</b>		33,223
26,692	<b>Total liabilities</b>		33,223
731,606	<b>Net assets</b>		813,665
<b>Bondholders' funds</b>			
685,097	Opening balance		731,606
46,509	Net increase		82,059
731,606	<b>Total bondholders' funds</b>		813,665

The accompanying notes form part of these financial statements.

## Reconciliation of Movements in Bondholders' Funds

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
685,097	<b>Bondholders' funds at 1 July</b>	731,606
291,198	Bonds lodged	333,535
(242,115)	Bonds refunded	(249,693)
(2,574)	Unclaimed bonds paid to the Treasury	(1,783)
731,606	<b>Bondholders' funds at 30 June</b>	813,665

## Statement of Cash Flows

For the year ended 30 June 2023

Actual 2022 \$000		Actual 2023 \$000
<b>Cash flows from operating activities</b>		
24,347	Interest received	16,547
(25,628)	Interest payments to MBIE	(16,535)
(1,281)	<b>Net cash flows from operating activities</b>	12
<b>Cash flows from investing activities</b>		
204,500	Proceeds from maturity of investments	161,500
(251,000)	Purchase of investments	(245,500)
(46,500)	<b>Net cash flows from investing activities</b>	(84,000)
<b>Cash flows from financing activities</b>		
291,198	Lodgement bonds	333,535
(244,689)	Refund of bonds	(251,476)
80	Provision for incorrect forfeiture	(83)
46,589	<b>Net cash flows from financing activities</b>	81,976
(1,192)	Net (decrease)/increase in cash held	(2,012)
12,233	Cash at the beginning of the year	11,041
11,041	<b>Cash at the end of the year</b>	9,029

## Reconciliation of Operating Surplus to Net Cash Flows from Operating Activities

Actual 2022 \$000		Actual 2023 \$000
-	Net surplus	-
<b>Add/(less) movements in working capital</b>		
8,440	Decrease/(increase) in interest receivable	(6,483)
(9,721)	Increase/(decrease) in interest payable	6,495
(1,281)	<b>Net cash flows from operating activities</b>	12

The accompanying notes form part of these financial statements.

## Note 1: Reporting Entity

The Ministry of Business, Innovation and Employment (MBIE) was established and commenced operations on 1 July 2012, and manages the Residential Tenancies Trust Account (RTTA) pursuant to the *Public Finance Act 1989* and the *Residential Tenancies Act 1986*.

The financial statements of the RTTA are for the year ended 30 June 2023 and were authorised for issue by the Chief Executive of MBIE on 2 October 2023.

## Note 2: Basis of Preparation and Statement of Significant Accounting Policies

### Basis of Preparation

#### Statement of compliance

The financial statements of the RTTA have been prepared in accordance with the requirements of the *Residential Tenancies Act 1986* and the *Public Finance Act 1989*, which include the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The financial statements have been prepared in accordance with, and comply with, Tier 2 PBE accounting standards on the basis that expenditure exceeds \$2 million, but is less than \$30 million with Reduced Disclosure Regime concessions applied.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### Measurement base

The financial statements have been prepared on a historical cost basis.

#### Functional and presentation currency

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the RTTA is New Zealand dollars.

#### Comparative amounts

Certain amounts in the comparative information have been reclassified to ensure consistency with the current year's presentation.

#### Changes in accounting policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with the previous year.

### Significant Accounting Policies

The following significant accounting policies have been applied consistently to all periods presented in these financial statements. Where an accounting policy is specific to a note, the policy is described in the note to which it relates.

#### Revenue from exchange transactions

The RTTA derives revenue from interest on investments. Interest on investments is accrued on a monthly basis.

#### Taxation

The RTTA is exempt from income tax in terms of the *Income Tax Act 2007*.

## Note 3: Financial Instruments

### **P** Financial Instruments

The RTTA is party to financial instruments as part of its normal operations. These financial instruments include accounts payable and receivable, cash and cash equivalents, and investments. Revenue and expenditure in relation to all financial instruments is recognised in the Statement of Comprehensive Revenue and Expense.

All financial instruments are shown at estimated fair value except for those items covered by a separate accounting policy.

### Cash

Cash is defined as coins, notes and demand deposits in the RTTA bank accounts and other deposits held on call or with maturities less than three months.

### Receivables

Receivables are stated at estimated realisable value.

### Credit risk

Financial instruments that are potentially subject to credit risk principally consist of cash and cash equivalents, accounts receivable, and investments. There are no major concentrations of credit risk for accounts receivable.

Credit risk is the risk that a third party will default on its obligations. The RTTA invests the bond fund in line with the requirements of section 68 of the *Public Finance Act 1989* and Parts I and II of the *Trustee Act 1956* by dealing

with banks of high credit standing (Standard & Poor's short-term rating of A-1 and long-term rating of A- or A), and only invests with any New Zealand bank or any bank outside New Zealand that has been approved by the Minister for the purpose.

Individual investment counterparties must carry a long-term credit rating and must be within individual issuer limits.

The maximum exposures to credit risk at balance date were as follows.

Actual 2022 \$000		Actual 2023 \$000
11,041	Cash held	9,029
25,687	Accounts receivable	32,170
721,500	Investments	805,500
758,228	<b>Total financial assets</b>	<b>846,699</b>

### Currency risk

Currency risk is the risk that the value of debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates.

The RTTA has no currency risk, given that any financial instruments it deals with are denominated in New Zealand dollars.

### Interest rate risk

Interest rate risk is the risk that the return on the funds invested will fluctuate due to changes in market interest rates. The RTTA's cash management policy accepts some degree of forgoing interest rate optimisation in order to have accessible funds for liquidity.

### Fair value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

## Note 4: Investments

**P** Investments are not generally traded and are held to maturity. Investments in bank deposits are initially measured at fair value plus transaction costs (if any). After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest rate, less any provision for impairment.

Investments are undertaken in line with MBIE's investment policy. Investments were held with the following counterparties as at 30 June 2023.

Actual 2022 \$000		Actual 2023 \$000
721,500	Bank deposit	805,500
721,500	<b>Total book value of investments</b>	805,500
Actual 2022 \$000		Actual 2023 \$000
<b>Current</b>		
15,000	ANZ	16,000
14,000	ASB	20,000
89,000	BNZ	77,500
7,000	Kiwibank	15,000
36,500	Westpac	9,000
161,500	<b>Total current</b>	137,500
<b>Non-current</b>		
143,500	ANZ	247,000
34,000	ASB	14,000
151,500	BNZ	113,000
83,000	Kiwibank	155,000
148,000	Westpac	139,000
560,000	<b>Total non-current</b>	668,000
721,500	<b>Total investments by counterparty</b>	805,500

## Note 5: Capital Management

The RTTA's capital is its bondholders' funds.

## Note 6: Audit Fees

Audit fees are paid by MBIE (refer to Note 5 in MBIE's departmental financial statements).

## Note 7: Commitments and Contingent Liabilities

There were no commitments or contingent liabilities as at 30 June 2023 (2022: nil).

## Note 8: Events After the Balance Date

No events have occurred between the balance date and date of signing these financial statements that materially affect the financial statements.

## Appendix 2: Statement of Trust Monies

MBIE operates trust accounts as an agent under section 66 of the *Public Finance Act 1989*. They are not consolidated in MBIE's own financial statements. In addition to funds held in trust accounts operated by MBIE, the Official Assignee holds a significant number and value of assets in relation to the administration of bankruptcies, liquidations and assets restrained or forfeited under criminal proceeds legislation.

Movements in these accounts during the year ended 30 June 2023 were as follows.

	Opening Balance 1 July 2022 \$000	Capital Increase \$000	Distributions Made \$000	Receipts \$000	Expenditure \$000	Closing Balance 30 June 2023 \$000
Coal and Minerals Deposits Trust Account	464	–	–	1	–	465
Employment Relations Service Trust Account	1,673	665	(1,475)	51	–	914
New Zealand Immigration Trust Account	198	–	(7)	7	–	198
Official Assignee's Office Trust Account	14,458	17,437	(7,850)	297	(6,453)	17,889
Patent Cooperation Treaty Fees Trust Account	92	874	(918)	13	–	61
Petroleum Deposits Trust Account	82	2	(16)	–	–	68
Criminal Proceeds (Recovery) Trust Account	115,164	25,755	(17,838)	3,138	(8,464)	117,755
Residential Tenancies Trust Account	731,606	333,535	(251,477)	23,030	(23,030)	813,664
Residential Tenancies Trust Penalties Account	44	108	(69)	5	–	88
Weathertight Financial Assistance Package Trust Account	–	659	(659)	–	–	–
East Coast Plugging and Abandonment Trust	984	–	–	–	–	984

### Coal and Minerals Deposits Trust Account

This trust account was established in its present form following the introduction of the *Crown Minerals Act 1991*. Pursuant to the *Mining Act 1971*, the *Coal Mines Act 1979* or the *Crown Minerals Act 1991*, all existing mining licences are required to have a bond lodged with MBIE, either as a performance bond or a cash deposit. These bonds are returned with interest (for cash deposits) once the licence has either been surrendered, revoked or reached expiry, provided that all licence conditions have been complied with. Please note: When a licence is transferred a new bond will be put in place by the transferee and the original bond will be returned to the transferor once the transfer has been approved.

### Employment Relations Service Trust Account

This trust account was established in September 1988 for monies received by labour inspectors on behalf of workers.

### New Zealand Immigration Trust Account

This trust account was established in 1999 for bonds paid by visitors with a higher risk profile.

## **Official Assignee's Office Trust Account**

This trust account was established to hold monies for individuals or companies subject to bankruptcy or liquidation proceedings. All financial matters of declared bankrupts and companies in liquidation are handled by the Official Assignee's Office. All distributions and settlements are processed through this account.

This trust combines the No Asset Procedure Account, Summary Instalment Order Account and Official Assignee Account.

## **Patent Cooperation Treaty Fees Trust Account**

This trust account was established in December 1992 to collect and distribute fees under the Patent Cooperation Treaty Rules. The fees are collected from International Patent Authorities and remitted to the World Intellectual Property Organization, which administers the Treaty.

## **Petroleum Deposits Trust Account**

This trust account was established in the 1970s for deposits pursuant to sections 8, 16 and 47(h) of the *Petroleum Act 1937*. All existing mining licences are required to have a bond lodged with MBIE either as a performance bond or a cash deposit. These bonds are returned with interest (for cash deposits) once the licence has either been surrendered, revoked or reached expiry, provided that all licence conditions have been complied with. Please note: When a licence is transferred a new bond will be put in place by the transferee and the original bond will be returned to the transferor once the transfer has been approved.

## **Criminal Proceeds (Recovery) Trust Account**

This trust account has been established to manage the financial arrangements of restraining and forfeiture orders made by the courts under the *Criminal Proceeds (Recovery) Act 2009*. Under the Act, courts have the power to order seizure of assets of individuals and companies that have been derived directly or indirectly

from criminal offending, and place the assets into the custody and control of the Official Assignee. These assets can then be ordered to be sold or disposed of by the Official Assignee and the resulting monies transferred to other approved parties and the Crown.

## **Residential Tenancies Trust Account**

This trust account was established to hold bonds lodged under the *Residential Tenancies Act 1986*. A full set of audited financial statements for the RTTA, prepared on an accrual accounting basis in conformity with generally accepted accounting practice, is provided in Appendix 1.

## **Residential Tenancies Trust Penalties Account**

In 2020/21 a new trust account, the Residential Tenancies Tribunal Penalties Trust Account, was established. The purpose of this trust account is to collect tribunal costs and penalties from landlords and direct the payment to tenants under the *Residential Tenancies Act 1986*.

## **Weathertight Financial Assistance Package Trust Account**

This trust account is used to temporarily hold the building consent authorities' 25 per cent share of repair costs claimed by eligible owners of leaky homes under the Government's Weathertight Services FAP, once approved, but prior to payment to the eligible homeowners.

## **East Coast Plugging and Abandonment Trust**

A new trust account, the East Coast Plugging and Abandonment Trust, has been established to hold a third-party contribution to plugging and abandonment costs, for exploration wells drilled under two petroleum exploration permits. The funds may be used to meet any legal, accounting or other costs associated with holding, distribution, or be transferred to a third party to help fulfil the purpose.

## Appendix 3: Employee Information

The table below presents information on the gender, age and remuneration banding (in \$10,000 bands) of all permanent and fixed-term staff employed under New Zealand terms and conditions at 30 June 2023.

The allocation of a remuneration band is based on an employee's base salary only (and is not FTE adjusted); it does not include allowances or employer superannuation contributions. Casuals, contractors and employees on leave without pay as at 30 June 2023 are not included in the table.

Salary bands above \$300,000 have been combined to protect the privacy of those employees.

Age Bracket	Under 30				30-39				40-49				Over 50				Unknown				Total
	Gender				Gender				Gender				Gender				Gender				
	D	F	M	U	D	F	M	U	D	F	M	U	D	F	M	U	D	F	M	U	
<b>Salary band</b>																					
\$50,000-\$59,999	2	259	100	11	1	185	83	6	-	114	48	2	-	91	30	4	1	27	5	-	969
\$60,000-\$69,999	-	198	81	6	-	171	59	5	-	110	30	2	-	121	47	-	-	16	4	-	850
\$70,000-\$79,999	4	226	131	10	2	165	81	2	-	90	36	1	-	93	40	1	-	13	6	-	901
\$80,000-\$89,999	2	138	71	9	-	154	96	4	-	101	53	-	-	73	51	1	-	11	2	-	766
\$90,000-\$99,999	-	41	26	2	1	82	53	1	-	57	32	2	-	58	41	2	-	5	2	-	405
\$100,000-\$109,999	-	59	31	1	-	78	56	3	-	61	40	-	-	34	40	-	-	4	2	-	409
\$110,000-\$119,999	2	50	27	1	-	79	68	7	-	54	58	1	-	43	63	2	-	4	1	-	460
\$120,000-\$129,999	-	20	21	1	-	72	42	2	-	51	35	4	-	54	53	1	-	2	3	-	361
\$130,000-\$139,999	-	10	6	-	1	43	49	3	-	43	48	4	-	32	39	-	-	2	3	-	283
\$140,000-\$149,999	-	9	5	1	-	49	40	1	1	49	28	-	-	39	36	-	-	3	1	1	263
\$150,000-\$159,999	-	-	2	1	-	20	24	1	-	42	39	1	-	26	30	-	-	5	3	-	194
\$160,000-\$169,999	-	1	1	1	-	24	11	-	-	34	26	1	-	35	34	-	-	3	2	1	174
\$170,000-\$179,999	-	-	-	-	-	14	14	-	-	20	27	-	-	13	17	-	-	-	-	-	105
\$180,000-\$189,999	-	-	1	-	-	6	3	1	-	16	10	1	-	11	22	-	-	-	-	-	71
\$190,000-\$199,999	-	1	-	-	-	2	1	-	-	12	14	-	-	7	9	1	-	-	-	-	47
\$200,000-\$209,999	-	-	-	-	-	4	-	-	-	10	8	-	-	4	12	1	-	-	1	-	40
\$210,000-\$219,999	-	-	-	-	-	3	1	-	-	4	4	-	-	2	7	-	-	1	-	-	22
\$220,000-\$229,999	-	-	-	-	-	-	1	-	-	2	1	-	-	1	1	-	-	-	-	-	6
\$230,000-\$239,999	-	-	-	-	-	1	1	-	-	3	4	-	-	2	4	-	-	1	-	-	16
\$240,000-\$249,999	-	-	-	-	-	-	-	-	-	3	3	-	-	-	-	-	-	-	-	-	6
\$250,000-\$259,999	-	-	-	-	-	-	-	-	-	3	2	-	-	1	4	-	-	-	-	-	10
\$260,000-\$269,999	-	-	-	-	-	1	-	-	-	5	1	-	-	2	3	-	-	-	1	-	13
\$270,000-\$279,999	-	-	-	-	-	-	-	-	-	-	1	-	-	1	4	-	-	-	-	-	6
\$280,000-\$289,999	-	-	-	-	-	-	-	-	-	1	1	-	-	-	3	-	-	-	-	-	5
\$290,000-\$299,999	-	-	-	-	-	-	-	-	-	-	1	-	-	1	1	-	-	-	-	-	3
\$300,000-\$399,999	-	-	-	-	-	-	-	-	-	1	1	-	-	1	3	-	-	-	1	-	7
Over \$400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	2	2	-	-	-	-	-	4
<b>Total</b>	<b>10</b>	<b>1,012</b>	<b>503</b>	<b>44</b>	<b>5</b>	<b>1,153</b>	<b>683</b>	<b>36</b>	<b>1</b>	<b>886</b>	<b>551</b>	<b>19</b>	<b>-</b>	<b>747</b>	<b>596</b>	<b>13</b>	<b>1</b>	<b>97</b>	<b>37</b>	<b>2</b>	<b>6,396<sup>1</sup></b>

D = Gender Diverse; F = Female; M = Male; U = Undisclosed

<sup>1</sup> This total excludes 119 locally engaged staff working overseas

## Appendix 4: Immigration and Migrant Levies

Under the *Immigration Act 2009*, a report must be provided in respect of the financial year outlining the total amount collected through the Immigration Levy and the Migration Levy, and how it has been applied. The following tables detail the allocation of the levies and summarise the amounts collected.

### Allocation of Immigration Levy

Vote	Programme	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Forecast 2024 \$000
Labour Market	Immigration Research Programme, including evaluation	2,200	2,200	2,200	2,200
Labour Market	Settlement services	863	863	894	1,978
Labour Market	Border security	10,870	10,870	10,829	10,829
Labour Market	Immigration compliance	8,331	8,468	19,223	18,399
Labour Market	Marketing and attraction	6,840	6,840	7,670	7,670
Education	English for Speakers of Other Languages (ESOL) for adults (home and community based)	426	426	–	–
Education	ESOL in the compulsory school sector	2,460	–	–	–
Labour Market	Regional skills matching and job assistance services	1,227	1,227	–	–
Labour Market	Multi-lingual settlement information programmes	650	454	–	–
Labour Market	National-level support for organisations that facilitate migrant participation in host communities	100	–	–	–
Education	Migrant futures – Work Connect Programme	1,613	1,613	–	–
Education	Pacific Work Connect Programme	–	564	–	–
Education	Bilingual support workers	514	514	–	–
Labour Market	Welcoming Communities	1,985	2,135	1,645	500
Labour Market	Immigration data and intelligence capability	–	–	8,271	7,635
Labour Market	Provision of the infrastructure and systems to support immigration processing	–	–	67,461	67,575
Labour Market	Immigration risk management and verification	–	–	9,451	8,381
Labour Market	Investor Migration Programme	–	–	1,670	1,670
<b>Total Immigration Levy allocation</b>		<b>38,079</b>	<b>36,174</b>	<b>129,314</b>	<b>126,837</b>

## Summary of Immigration Levy

	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Forecast 2024 \$000
Balance at 1 July	(11,064)	(30,594)	7,542	(36,224)
Revenue	18,549	74,310	85,548	99,787
Allocations	(38,079)	(36,174)	(129,314)	(126,837)
<b>Balance at 30 June</b>	<b>(30,594)</b>	<b>7,542</b>	<b>(36,224)</b>	<b>(63,274)</b>

The Immigration Levy replaced the Migrant Levy in December 2015.

The Immigration Levy funds migrant settlement and migration research. It also contributes to Immigration New Zealand functions, including border, compliance, marketing and attraction and provision of the infrastructure and systems to support immigration

processing. It is charged to principal applicants on temporary (including visitor, student and work) and residence (including skilled migrant, family and some international/humanitarian) visa applications. Levy rates are differentiated based on the immigration functions each broad visa category generates the need for or benefits from.

## Allocation of Migrant Levy

Vote	Programme	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Forecast 2024 \$000
Tertiary Education	Pacific Work Connect pilot programme	304	-	-	-
Education	Teacher aide support for ESOL virtual classroom	308	308	-	-
Education	Investigating effectiveness of ESOL programmes in schools	100	100	-	-
<b>Total Migrant Levy allocation</b>		<b>712</b>	<b>408</b>	<b>-</b>	<b>-</b>

## Summary of Migrant Levy

	Actual 2021 \$000	Actual 2022 \$000	Actual 2023 \$000	Forecast 2024 \$000
Balance at 1 July	2,229	1,517	1,109	1,109
Revenue	-	-	-	-
Allocations	(712)	(408)	-	-
<b>Balance at 30 June</b>	<b>1,517</b>	<b>1,109</b>	<b>1,109</b>	<b>1,109</b>

Residual amounts of Migrant Levy revenue were received in 2019/20 (while visa applications made under the Migrant Levy continued to be processed), and funds are held in a tagged account.

These funds are used to fund innovative one-off and small-scale settlement initiatives and enable an evidence base to be built to inform potential longer-term funding allocations.

# Appendix 5: Building Advisory Panel

The Building Advisory Panel (BAP) is a statutory body that provides independent advice to the Chief Executive of MBIE. BAP focusses on strategic issues facing the built environment and the construction sector. It also provides guidance, advice, and direction on ways MBIE can support the sector to be innovative and high performing. The BAP panel members are:

- › Sally Grey (Chair)
- › Adrienne Miller
- › Dr Troy Coyle
- › Chantelle Bailey
- › Jared Bernard
- › Malcolm Fleming
- › Patrick Dougherty
- › Scott Fisher

## Meetings and Advice

The BAP were appointed in December 2022 and met once during the 2022/23 financial year. Since being appointed, the BAP have been provided with an overview of the building regulatory system’s work programmes. The BAP are particularly interested in assisting MBIE through the provision of advice on key priority work programmes such as Building for Climate Change, legislative reforms, accessibility, and critical building materials and products.

Membership terms of BAP members have now concluded and MBIE will begin the appointment process for new members in 2023/24.

In the 2022/23 year, the following payments were made to BAP members.

## Remuneration

The BAP is a statutory board for the purposes of the *Fees and Travelling Allowances Act 1951*. The following fees payable to the BAP members were determined in line with the Cabinet Fees Framework:

- › Chairperson: \$810 per day, or an hourly pro-rata rate as required.
- › Panel members: \$540 per day or an hourly pro-rata rate as required.

Building Advisory Panel Member	Actual Meeting Fees (incl. GST)	Actual Other Expenses (incl. GST)
Sally Grey – Chair	1,114	846
Adrienne Miller	–	–
Dr Troy Coyle	–	–
Chantelle Bailey	1,080	–
Jared Bernard	–	–
Malcolm Fleming	–	–
Patrick Dougherty	–	–
Scott Fisher	–	–
<b>Total BAP fees and other expenses for 2022/23</b>	<b>2,194</b>	<b>846</b>

## Appendix 6: International Visitor Conservation and Tourism Levy

This notional account tracks the balance of the International Visitor Conservation and Tourism Levy collected under part 3 of the *Immigration (Visa, Entry Permission, and Related Matters) Amendment Regulations 2019*. The account records International Visitor Conservation and Tourism Levy revenue collected by the Crown, offset by expenditure

within MBIE and the Department of Conservation on designated and approved programmes and projects.

The levy is set at \$35 per person who applies for a temporary entry class visa, other than at an immigration control area or a port; or requests a traveller Electronic Travel Authority as a condition of a temporary entry class visa waiver.

	Actual 2022 \$000	Actual 2023 \$000
Balance at 1 July	37,743	32,018
Revenue	3,314	44,871
<i>Expenditure:</i>		
MBIE	2,708	7,615
Department of Conservation	6,331	3,548
<b>Total expenditure</b>	9,039	11,163
<b>Net surplus</b>	(5,725)	33,708
<b>Balance at 30 June</b>	32,018	65,726

# Appendix 7: Other Disclosures

## **Immigration Act 2009**

Under the *Immigration Act 2009*, some immigration officers have powers to enter and search employers' premises for any specified person or specified employee who are not entitled to work in New Zealand or are in breach of their visa (section 277A(3)(a) or (b)). Section 277C of the *Immigration Act 2009* requires every annual report to report any instances where these powers were used. During this reporting period, there were no instances where interactions with employers at their premises required the exercise of these powers (as interactions proceeded with consent).

## **Victims' Rights Act 2002**

The main service that MBIE provides to registered victims of crime is the opportunity to provide comment on the possible deportation of the offender(s). MBIE has not received any complaints from victims during the reporting year.

## **Children's Act 2014**

MBIE, as required by the *Children's Act 2014*, published its Child Protection Policy (2020) on the MBIE website. This policy has particular operational relevance at Te Āhuru Mōwai o Aotearoa (Refugee and Migrant Services), and the border. As part of implementation, MBIE has operationalised the policy, including the responsibility to assess the inclusion of a child protection policy requirement in contracts and funding agreements, and commenced piloting online mandatory training modules for all employees working directly with children and young people. MBIE actively monitors and reports to the senior leadership of MBIE on compliance with the policy.

## **Departures from Operating Guidelines for Levels of Lakes Manapōuri and Te Anau**

MBIE must include in its annual report, under section 4A(3) of the *Manapouri – Te Anau Development Act 1963*, any departures from the operating guidelines for the levels of Lakes Manapōuri and Te Anau. Meridian Energy is required to advise MBIE, acting for Minister of Energy and Resources, of any departures. There were no departures requiring disclosure for the reporting period.

## **Enhancing Identity Verification and Border Processes Legislation Act 2017**

MBIE (Immigration) has an arrangement with New Zealand Police to access information pursuant to Part 7 of the *Privacy Act 2020*. MBIE accesses identity information held by New Zealand Police to verify the identity of a person where there is good cause to suspect the person may have committed an offence against the *Immigration Act 2009*; has obtained a visa in a false identity; is liable for deportation or turnaround; or is unlawfully in New Zealand. During this reporting period, there were no requests to New Zealand Police.

# Appendix 8: Organisational Capability

## Whāinga Amorangi

Within the past 12 months, there has been a noticeable shift in learning and capability (see the table below).

Capability	Senior leadership (%)	Other kaimahi (%)
Completion of te reo Māori learning	88.3%	61%
Completion of Aotearoa New Zealand history and te Tiriti o Waitangi / The Treaty of Waitangi learning	81.5%	51.2%
Movement from unfamiliar to comfortable in the two competency areas above	Te Reo 24.7% Te Tiriti o Waitangi/ New Zealand History 20.4%	Te Reo 24.4% Te Tiriti o Waitangi/ New Zealand History 24.5%
The percentage of staff who have completed learning in any of the other four Māori–Crown relations competency areas	49.5%	25.6%

Since the introduction of Te Wānanga o Te Awanuiāraangi online te reo Māori classes in February 2023, we have had 280 registrations. Kaimahi on the programme have shared how it has helped their confidence with saying Māori greetings at work, our people are more familiar with the language, and in our contact centres our people feel comfortable to greet callers on the phone in te reo Māori and are empowered to do so.

With the development of new e-learning modules for tikanga, kawa, pepeha and waiata, we are seeing kaimahi build their understanding in these areas. Leaders are standing with greater confidence when welcoming kaimahi and visitors to MBIE, this includes leading our karakia, participating in waiata and sharing of mihimihi and pepeha. Marae-based learning has provided opportunities for kaimahi to experience tikanga and kawa through pōwhiri. Our people have shared that being part of the pōwhiri process and attending marae have been invaluable. Learning and applying the knowledge at marae has helped embed their learning.

A significant shift has occurred in awareness and understanding of how te ao Māori in the workplace supports inclusion and belonging, creating a positive culture through tikanga and kawa. This journey has highlighted the desire our people have towards learning about and understanding te Tiriti / the Treaty, its importance and what it means to apply this knowledge when performing their various roles.

## Inclusion and Belonging Programme

Papa Pounamu, led through Te Kawa Mataaho – Public Service Commission, sets the diversity and inclusion work programme for the wider public service. The 5 priority areas, which shape MBIE’s inclusion and belonging programme, focus on making the most positive impact across all diversity dimensions.

### Te āheinga ā-ahurea | Cultural competence

An important focus is to reflect the significance of the Māori–Crown relationship and increase our cultural competency and confidence across the broadest range of cultures. Alongside Whāinga Amorangi, we have strengthened our cultural competency through the implementation of various learning programmes, including:

- › Mana Aki, MBIE’s inter-cultural competence programme, which builds inter-cultural awareness and understanding (completed by 218 people in 2022/23, with 2,857 in total since launch in September 2020)
- › the Wall Walk workshop, which raises awareness of notable events in Aotearoa New Zealand’s bicultural history (attended by 666 people in 2022/23, with 1,706 in total since launch in March 2021).

### **Te urupare i te mariu | Addressing bias**

Addressing bias towards identity markers, such as race, ethnicity, gender, sexual orientation or ability, is essential for making sure all people are provided with opportunities during their recruitment, onboarding, development and career progression stages. Over 2022/23, several learning programmes and initiatives were available, including:

- › nine foundation-level modules on bias, based on gender, ability and sexual orientation and ways to negate it, with 2,866 people engaged
- › a module on the Rainbow Community, completed by 1,174 people
- › a two-day workshop on racial equity and bias, attended by 601 people
- › encouraging people to add pronouns to email signatures and meeting introductions
- › continued delivery of Mana Whakatōpū, a unique six-month wāhine Māori programme to support self-growth and courageous leadership from a kaupapa Māori worldview embedded in Māori values, tikanga and hauora
- › continued delivery of Tū Mau Mana Moana, to support the acceleration of talent and leadership development of Pasifika to increase the number of Pasifika in senior leadership roles across the public service
- › continued delivery of the Tupu Tai internship programme, which supports a public service that reflects the diverse population of the country and promotes better outcomes for Pasifika through government policy.

### **Hautūtanga ngākau tuwhera | Inclusive leadership**

How we lead across the public service matters. Inclusion and diversity capability across the system depends on strong and inclusive leadership. We work to make sure this occurs within MBIE by:

- › providing learning opportunities through specific programmes to build leadership capability

- › making sure senior leaders sponsor employee networks, and support and attend associated learning programmes
- › supporting flexible working arrangements for leaders, as well as mental and physical wellbeing, and health and safety practices.

### **Te whakawhanaungatanga | Building relationships**

Inclusion and belonging depends on having diverse and supportive relationships in our workplaces. We draw on these relationships to create positive change. This is shown through:

- › strategic governance and oversight of the inclusion and diversity strategy by the Inclusion and Diversity Council, and their recommended changes to policies, processes, initiatives and facilities
- › Tōku Whāinga | My Career, a continuous performance framework based on regular check ins, shared reflection, and learning, with respect and care
- › Kohinga Kōrero | Conversations That Matter, to support people leaders to have more meaningful and effective conversations with their people
- › a culture of celebrating people's achievements through MBIE values and shout-out cards, awards, branch newsletters and group hui.

### **Ngā tūhononga e kōkiritia ana e ngā kaimahi | Employee-led networks**

Having a space to connect with others with shared experiences supports people to bring their authentic selves to work. Our employee-led networks help connect people, create opportunities to engage and learn, and advocate for the needs of their network. They support our people to feel they belong.

Over 2022/23, we have:

- › increased the number of employee-led networks, which now include:
  - Te Rau Puāwai | Wāhine Māori Network
  - Te Whakatairanga Māori Network
  - Pacific Staff Village Network
  - Women of Colour Network
  - Asia-International Network
  - African Community Employee Network
  - Arahanga Wāhine | Women’s Network
  - Ngāi Kahukura | Rainbow Network
  - Te Aumangea | Mental Health Network
  - Te Tae Whakapakari | ENABLED
  - Kete Taiao | Sustainability Network
- › strengthened our senior leaders’ sponsorship and support for all employee-led networks
- › held employee-led events and initiatives that celebrate culture, inclusion, highlight issues and educate others.

## **Kia Toipoto: Closing Gender, Māori, Pasifika and Ethnic Pay Gaps**

Educating people leaders remains an important part of increasing people’s understanding of how bias can affect the gender and ethnic pay gaps. Together, these tools aim to make sure the benefits gained by the initiatives and corrections are sustained.

In late 2022, MBIE published Kia Tū Ranga, MBIE’s Pay Gap Action Plan in response to the new guidance from Te Kawa Mataaho – Public Service Commission. The plan shifts focus to monitoring and embedding the strategies already put in place from the 2018-2021 Gender Pay Action Plans and extending actions to focus on leadership and workforce representation with both a gender and ethnicity lens.

Several initiatives within the plan are the result of reviews and engagements with our people, unions and employee-led network members. In April 2023, five-year workforce and leadership representation targets were added within the plan. These targets include focus areas for improving diversity data, senior leadership (gender and ethnicity), workforce representation (ethnicity) and leadership representation (ethnicity).

## **Wellbeing Health and Safety**

MBIE is part of the ACC Accredited Employers Programme (AEP). In October 2022, as part of its annual AEP audit, ACC evaluated our performance as “tertiary” meaning we are showing “continuous improvement, good practice framework”. The AEP audit identified the need for us to expand training to our Senior Leadership Team and look at further ways to support our kaimahi through the event reporting journey. We also use WorkSafe SafePlus quarterly surveys to monitor the health and safety culture within MBIE, and with a goal to become a ‘Leading’ organisation.

To ensure effective oversight of our activities, the Wellbeing, Health, Safety and Security Steering Committee meets bi-monthly, and the Senior Leadership Team Wellbeing, Health, Safety and Security Governance Committee meets monthly.

### **Mental health**

The continued disruptions caused by COVID-19 resulted in consistent numbers of people reporting mental health pressures and difficulties; 307 compared with 337 the year before. To counter this trend, we concentrated on providing coping skills to people in business groups most affected by COVID-19.

We also arranged 67 various mental health workshops, attended by about 900 people. These workshops aim to increase knowledge about mental health and mental illness, increase confidence in talking to colleagues about these topics, and increase

people's ability to promote mental health in the workplace. We arranged for counsellors to hold onsite visits in many of our locations to allow greater access to mental health support, we also extended the number of counsellors and psychologists available to people because of higher demand for such support. This has resulted in a wider choice of providers and shorter waiting times.

In February 2023 we appointed a panel of suppliers for psychological support and clinical services. It is designed to provide adequate geographic, diversity and cultural capability and specialisation coverage supporting MBIE towards a more holistic approach of working with people. The procurement of independent clinical services supports us to delve into the higher level of mental health and wellbeing incidents of MBIE workers who need specialised support from clinical psychologists and other experts outside the scope of EAP counselling services.

### **Health monitoring**

As part of the Accredited Employer Programme, we partner with a third-party administrator to manage claims handed over from ACC. During the year, MBIE had 49 work-related ACC claims and 76 non-work-related ACC claims, both managed by a third-party administrator. Of these work-related claims, 6 involved lost time, with the average number of days being 17.3. The average number of sick leave days used at 7.62 days per year. No injuries, illnesses or incidents required notification to WorkSafe New Zealand.

### **Flexible working arrangements**

MBIE completed the refresh of the Flexible Working Policy in November 2022. This refresh ensured the policy, guidelines and tools are up to date to reflect the changes of working during and post COVID, and focus on wellbeing, safety and security while working flexibly. The refresh also enabled MBIE to incorporate the principles set by Te Kawa Mataaho – Public Service Commission to underpin a flexible by default approach for government agencies.

### **Emergency management and critical health and safety risks**

Over the last financial year, MBIE's Emergency Management and Business Continuity (EMBC) Team has supported or led 18 responses of various scales, from national events, such as Cyclone Gabrielle and New Zealand's readiness for Foot and Mouth Disease. The Enterprise Incident Management Team (MBIE eIMT), coordinated by the EMBC Team, was activated, and managed the Auckland flash flooding and Cyclone Gabrielle responses, from January to April 2023.

The EMBC Team successfully designed, delivered and/or supported the delivery of multiple all-of-government strategic readiness exercises for the Women's Rugby World Cup and the FIFA Women's World Cup, to support MBIE's Major Events Team.

As part of the critical risk review programme, we are taking an all of hazard's approach to risk management to include psychosocial hazards as a necessary element of risk assessment, control and management processes.

Support for MBIE change and improvement projects includes support for the fleet electrification project, National Communications Centre upgrades, Get Home Safe upgrade and renewal of procurement contracts with major partners including, Vital, FreshRF, SafetyCulture, Tactical Solutions and CERT.

### **Wellbeing, health and safety events**

While our people are still coping with the continued disruptions caused by the COVID-19 pandemic, the start of this year brought major climatic events, and cyclones, resulting in flooding and loss of lives and property. Many of our people are directly affected by these events and overall, we have seen a consistent increase in numbers of people reporting events and disturbances as compared to last year. This year has not been an easy year for our people.

The table below shows the number of events reported this year:

<b>Type</b>	<b>2022/23</b>
Total number of wellbeing, health, safety and security events	2,282
Wellbeing events	355
Early reported pain and discomfort/harm	714
Near miss	289
Violence and aggression (direct and indirect, including challenging communications)	706
Other events	218
Events resulting in injury	267
Critical risk events	217
Work-related ACC claims (managed by our third-party administrator)	49
Non-work-related ACC claims (managed by our third-party administrator)	76
Incidents requiring notification to WorkSafe New Zealand under the <i>Health and Safety at Work Act 2015</i>	0

# Appendix 9: Sustainability

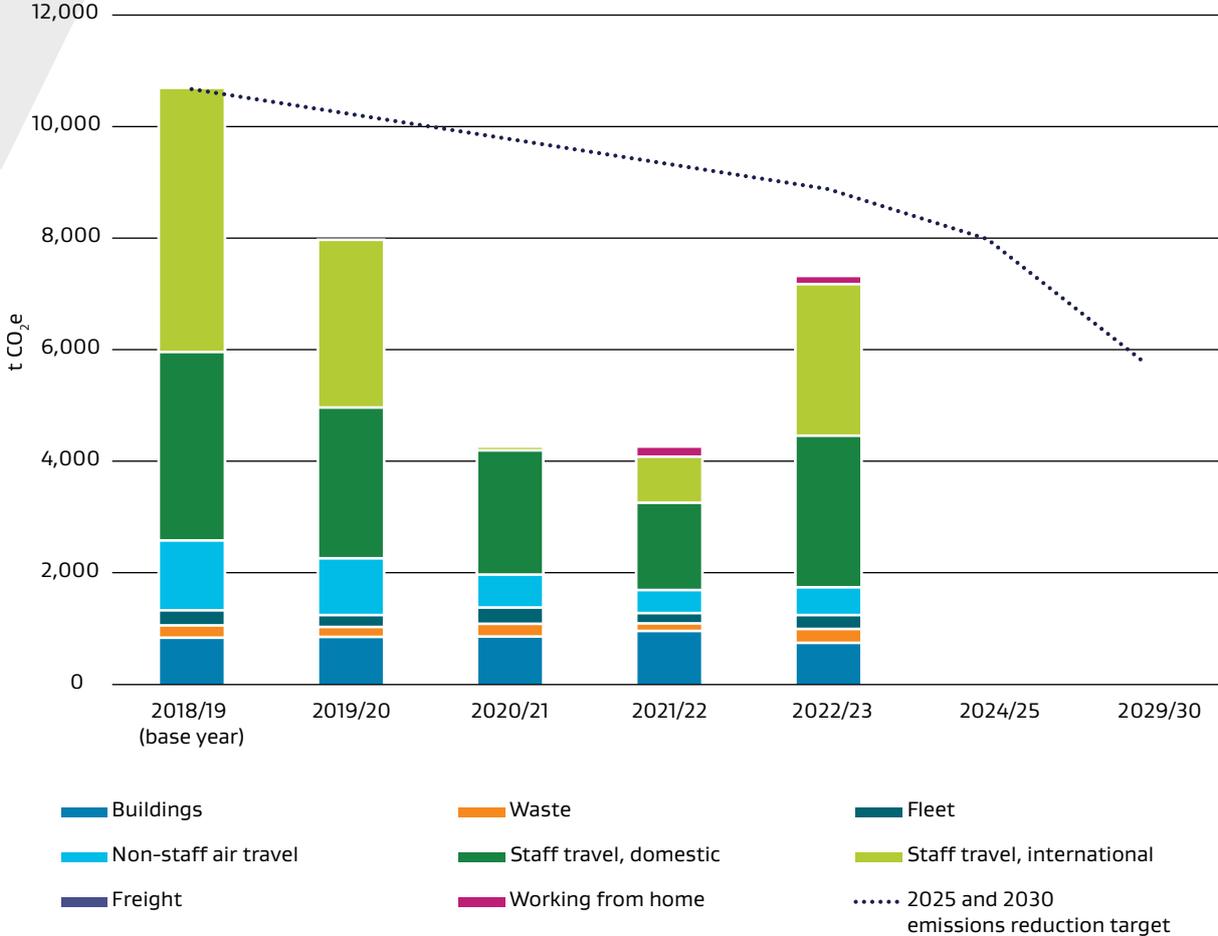
## MBIE's Sustainability Framework

MBIE's Sustainability Framework informs our programme of initiatives that create change and reduce our operational emissions in line with our science-aligned emissions reduction targets. Reducing our emissions, improving operational efficiency and empowering and enabling our people is a priority objective in supporting the transition to a low-emissions economy.

	OUR ASPIRATIONS	TARGETS
<b>CLIMATE CHANGE MITIGATION</b>		
 <p><b>GHG emissions measurement and reporting</b> Measuring, reporting, and reducing the carbon impacts associated with our business operations</p>	<ul style="list-style-type: none"> <li>Set 2025 and 2030 gross emissions reduction targets in line with a global emissions pathway that limits warming to no more than 1.5°C</li> <li>Achieve an absolute reduction in our operational emissions</li> </ul>	<p>Measure, externally certify and report our Scope 1, Scope 2 and material Scope 3 emissions annually</p> <p>Reduce emissions by 25% by 2025 and 46% by 2030</p>
 <p><b>Emissions reduction: Our Business Travel</b> Staff business travel, particularly air travel, is the most significant contributor to MBIE's operational emissions.</p>	<ul style="list-style-type: none"> <li>Re-baseline our staff travel requirements to reflect new ways of working</li> <li>Promote more efficient modes of travel</li> </ul>	<p>Reduce business domestic air travel emissions by 35% by 2025</p> <p>Reduce business international air travel emissions by 35% by 2025</p>
 <p><b>Emissions reduction: Our Buildings</b> The operation of our buildings is a significant contribution to our emissions. We will minimise energy and resource consumption at our sites.</p>	<ul style="list-style-type: none"> <li>Reduce operational emissions at our sites</li> <li>The location and design of future buildings realise opportunities for resilience, active travel/commute and creation of community hubs</li> </ul>	<p>80% of staff office space(m2) have NABERS rating by 2025</p> <p>Improve energy efficiency across our Wellington office buildings by 10% by 2025 (kWh/m2)</p>
 <p><b>Emissions reduction: Our Fleet</b> Optimisation and electrification of the government fleet is a priority</p>	<ul style="list-style-type: none"> <li>Improve operational efficiency of our fleet</li> <li>Eliminate fossil fuels from our vehicle fleet</li> </ul>	<p>100% light vehicle fleet BEV by 2025</p> <p>Reduce fleet emissions by 84% by 2030</p>
 <p><b>Emissions reduction: Our Waste</b> While waste to landfill is not a significant source of MBIE's operational emissions there is an opportunity for improved practice across all MBIE sites</p>	<ul style="list-style-type: none"> <li>We rethink waste as a resource</li> <li>Apply circular economy principles to our purchasing decisions and contracts</li> </ul>	<p>Reduce waste to landfill from our offices by 50% by 2025</p> <p>Increase organic waste diversion from our offices</p>
 <p><b>Emissions reduction: Our Team</b> We identify emissions associated with our people commuting and working from home and opportunities for decarbonisation</p>	<ul style="list-style-type: none"> <li>We support flexible working and deliver flexible working environments for our teams</li> <li>Encourage our teams to decarbonise their commute</li> </ul>	<p>To be developed</p>
<b>TRANSITIONING TO A LOW EMISSIONS ECONOMY</b>		
 <p><b>Climate change and our operations</b> Ensuring we understand and address the actual and potential effects of climate change on our operations, strategy, and investment.</p>	<ul style="list-style-type: none"> <li>We identify and understand the physical and transition risks that MBIE as an organisation is exposed to</li> <li>We develop new opportunities and capabilities that provide resilience and adaptability</li> <li>We demonstrate public sector leadership in our approach to TCFD-aligned climate change risk assessment and reporting</li> </ul>	<p>Develop TCFD aligned climate related risk disclosures from 2022</p>
 <p><b>Supporting the transition</b> We all play a part in New Zealand's transition to a low emissions economy. We lead by example and provide leadership to business.</p>	<ul style="list-style-type: none"> <li>Our people have the knowledge, capability and resources available to incorporate sustainability into their decision making</li> <li>Our people are empowered to innovate and navigate towards a better future</li> </ul>	<p>To be developed (align with Transition Pathways Te Ara Tauwhiro)</p>

## Emissions Reduction

Our total (gross) emissions for 2022/23 were 7,300 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e), 32 per cent less than our base year and within our 2025 emissions reduction target trajectory.



The expected increase in employee domestic and international air travel as restrictions associated with COVID-19 eased has notably increased emissions compared to the last two years. We continue to prioritise managing employee travel demand to meet our emissions reduction targets through embedding emissions calculations into our travel policy and budgeting process and targeted reporting and education initiatives.

Our property strategy is a key initiative to realise energy efficiency benefits across the property portfolio. We will continue to prioritise sustainability initiatives in our lease agreements and investment decisions, realising opportunities for decarbonisation and understanding the embodied and operational carbon of our construction projects through life cycle assessments. The substantive decrease in building emissions for 2022/23 is due to the lower emissions intensity of the national electricity grid for the year. We are also continuing our programme to reduce fleet emissions through optimisation and transition to electric vehicles. The programme focus is on right sizing the fleet, better utilisation of our vehicles through smart booking systems and replacing the light vehicle fleet with EVs.

We saw a significant increase in the percentage of organic material (composting) and recycling diverted from landfill increased across our large office sites following signage improvements and staff education. The total waste volumes reported in 2022/23 include waste associated with office refurbishment and relocation projects, noting that 70 per cent of furniture was reused and a further 10 per cent recycled or donated across these projects.

In addition to our operational activity in 2022/23, the provision of temporary accommodation in response to flooding events and Cyclone Gabrielle emitted an estimated 1,200 tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e). Our emissions reduction plan details specific projects and opportunities for the ongoing improvement of our emissions reporting and the identification and delivery of initiatives. We are partnering across the business to increase awareness and build capability in sustainability and to further develop our reporting tools. Our internal staff sustainability network, Kete Taiao, continues to build membership across MBIE.

## Total Emissions by Emissions Source (t CO<sub>2</sub>e)

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>DEPARTMENTAL (MBIE)</b>					
Scope 1	408.68	350.54	400.54	389.38	444.83
Natural gas (reticulated)	138.57	132.82	108.99	200.45	198.56
Transport fuel (fleet)	270.11	217.72	291.55	188.93	246.26
Scope 2	656.86	673.44	706.33	691.06	484.49
Purchased electricity	656.86	673.44	706.33	691.06	484.49
Scope 3	9,606.49	6,921.37	3,130.87	3,158.28	6,370.75
<b>Category 3: Indirect emissions from transportation</b>					
Freight	0	0	0	46.63	2.47
Staff travel – domestic	3,377.94	2,698.99	2,232.96	1,567.49	2,717.16
Staff travel – international	4,690.30	2,961.83	16.06	776.04	2,716.82
Working from home	0	0	0	133.54	99.93
<b>Category 4: Indirect emissions from products used by the organisation</b>					
Non-staff air travel – domestic	169.40	135.70	28.80	127.10	245.04
Non-staff air travel – international	1,080.30	880.30	561.38	283.60	255.49
Transmission and distribution losses	65.99	69.77	67.01	74.67	63.48
Waste	222.56	174.78	224.66	131.66	247.29
Wastewater services	0	0	0	16.42	21.43
Water supply	0	0	0	1.13	1.64
<b>Total gross emissions (t CO<sub>2</sub>e)</b>	<b>10,672.03</b>	<b>7,945.35</b>	<b>4,237.74</b>	<b>4,238.72</b>	<b>7,299.92</b>
Change in gross emissions (all sources) since base year		-26%	-60%	-60%	-32%
Change in gross emissions (all sources) from previous financial year		-26%	-47%	0%	72%
<b>CROWN (NON-DEPARTMENTAL)</b>					
Temporary Accommodation Service	0	0	0	0	1,280.46

### Notes:

The greenhouse gas emissions measurement (emissions data and calculations) has been independently verified against ISO 14064-1:2018 by Toitū Envirocare (Enviro-Mark Solutions Limited).

These emissions results align with the Ministry for the Environment's 2023 Measuring Emissions Guidance, which uses the 100-year global warming potentials in the Intergovernmental Panel on Climate Change

Fifth Assessment Report (AR5). Quantifying greenhouse emissions is subject to uncertainty as the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of greenhouse gases sources are still evolving.

The 2022/23 emissions inventory includes all emissions sources required by the Carbon Neutral Government Programme.

## Emissions Intensity by Financial Year (t CO<sub>2</sub>e)

	2018/19	2019/20	2020/21	2021/22	2022/23
Full-time equivalent (FTE) positions	5,022	5,555	5,795	6,015	6,282
Expenditure (\$m)	814	931	1,095	1,261	1,198
Total gross emissions per FTE (t CO <sub>2</sub> e)	2.13	1.43	0.73	0.70	1.16
Total gross emissions per million dollars of expenditure (t CO <sub>2</sub> e)	13.11	8.53	3.87	3.36	6.09

## Emissions Reductions Initiatives and Their Implementation

	Initiative	Delivery	Owner	Investment	Emissions reduction	Policy reference
<b>Emissions reduction: Our Business Travel</b>	Include flight emissions and tracking against targets in DCE international travel approval form	2023	DDI		Measuring & reporting	
	Update MBIE travel policy and procedures	2023	Procurement		Behaviour change	
	Booking system enhancements (FCM Travel) – low emissions selector tools	Ongoing	NZGP		Behaviour change	
	2022/23 travel budgets (\$) align to 2020/21	2023	Budget holders	(saving)	- 2600t CO <sub>2</sub> e (2022/23 against 2018/19 base year)	
	Determine travel emissions target allocation	Annual	Sustainability (with Finance)		Measuring & reporting	
<b>Emissions reduction: Our Buildings</b>	Data review – gas use across MBIE lease portfolio	2023	Property			
	SmartPower Monitoring and Targeting reporting	2016	Property		Energy (kWh/m <sup>2</sup> ) -3.3% on previous year	
	Targeted NABERS assessments (asset management)	Ongoing	Property			CNGP requirement
	Property and Leasing Strategies “Investing in efficiency” Embedding sustainability targets into strategy	2023/24	Property			
	Stout Street – Continuous Commissioning project › LED lighting upgrade project	TBC	Property	\$787,200 (5.46 year payback period)	-25.79t CO <sub>2</sub> e pa	
	Herriot Drive, Porirua – Commissioning project	2023	Property	\$32,198 (1.8 year payback period)	-16t CO <sub>2</sub> e pa	
	Property consolidation – Auckland		Property		TBC	Emissions Reduction Plan
	Property consolidation – Wellington › Released 9,500m <sup>2</sup> leased office space in 2022/23	Ongoing	Property	(saving)	-20t CO <sub>2</sub> e pa (electricity only)	Emissions Reduction Plan
	Hutt Hub Development › Calculate (life cycle assessment) embodied carbon avoided through adaptive reuse of building structure	2022/23	Property		39% less upfront carbon than reference build (352kg CO <sub>2</sub> e/m <sup>2</sup> )	GPG Regional Hub Programme Building for climate change
	Require LCA for significant projects. Develop learning library for application on all projects	Ongoing	Property Sustainability			Building for climate change

	Initiative	Delivery	Owner	Investment	Emissions reduction	Policy reference
<b>Emissions reduction: Our Fleet</b>	Establish fleet project team	June 2022	Workplace			
	Remove under-utilised vehicles from fleet	2022	Workplace	(saving)	-43t CO <sub>2</sub> e pa (from 2019 base year data)	
	Determine modern fleet requirements	2022	Workplace			
	Replace fleet vehicles with BEV (phased roll-out, including charging infrastructure)	From 2023		\$4m (year 1)	-60 tCO <sub>2</sub> e year 1 -150t CO <sub>2</sub> e pa at 2025	CNGP requirement/ NZGP initiative
	Implement fleet booking system	2023	Workplace			
	Appoint dedicated fleet operations manager	2023	Workplace			
<b>Emissions reduction: Our Waste</b>	Update all waste bin signage and communications > Avoid contamination of recycling > Increase diversion of organics from landfill	July 2022	Facilities		Small reduction in CO <sub>2</sub> e (waste to landfill)	NZ Waste Strategy
	Promote circular economy and behaviour change	Winter 2022	Kete Taiao		Behaviour change	NZ Waste Strategy
	Partner with Will & Able (recycling, container return)	May 2022	Facilities		Nominal (diversion from landfill)	Circular economy; Broader outcomes
	Implement soft plastics trial	2022/23	Kete Taiao		Nominal (diversion from landfill)	Circular economy; Broader outcomes
<b>Emissions reduction: Our Team</b>	Staff commute survey		Sustainability	\$0	Measuring & reporting	Emissions Reduction Plan
	Team green commute sessions (Wellington and Christchurch)	2022/23	Kete Taiao		Behaviour change	
	Support rollout of flexible working environments	Ongoing	Workplace			
<b>Climate change and our operations</b>	SLT risk	Dec 2021	SLT/Strategic Planning Committee		Measuring & reporting	External Reporting Board climate standards
	Develop climate-related disclosures > Pilot regulatory systems approach	2022/23 – 2023/24		\$48,000	Leadership	TCFD

	Initiative	Delivery	Owner	Investment	Emissions reduction	Policy reference
<b>Supporting the transition</b>	<i>Aotearoa Sustainability Academy – Sustainability Fundamentals</i> Proof of Concept participants	June 2022	Sustainability (with L&D)	\$0	Capability (28 staff participating in POC)	
	Integrate sustainability capability building with Te Ao Māori worldviews knowledge learning outcomes of Whāinga Amorangi				Capability	
	Identify opportunities in our procurement processes to reduce operational emissions and improve sustainability reporting.	Ongoing	Procurement Digital Assets Sustainability		Capability Leadership	<i>Broader Outcomes</i>
	Support core functions in sustainability initiatives and delivery	Ongoing	Sustainability		Capability Initiative delivery	
	Share experience and learnings (internal and external audiences)	Ongoing	Communications Sustainability		Leadership	
	Establish an enterprise approach to integrated reporting	2024			Measuring & reporting	<i>Integrated Reporting Framework</i>

# Acronyms

ACC	Accident Compensation Corporation	MYA	multi-year appropriation
BERL	Business and Economic Research Limited	NASA	National Aeronautics and Space Administration
CERT	Computer Emergency Response Team	NEET	not in employment, education or training
CNGP	Carbon Neutral Government Programme	NSHM	National Seismic Hazard Model
EECA	Energy Efficiency and Conservation Authority	NZBN	New Zealand Business Number
EV	electric vehicle	NZCRS	New Zealand Claims Resolution Service
FDI	foreign direct investment	NZ GAAP	New Zealand generally accepted accounting practice
FTE	full-time equivalent	OECD	Organisation for Economic Co-operation and Development
GDP	gross domestic product	PBE	public benefit entity
GHG	greenhouse gases	PBE FRS	Public Benefit Entity Financial Reporting Standard
GST	goods and services tax	PBE IPSAS	Public Benefit Entity International Public Sector Accounting Standard
ICT	information and communications technology	PLA	permanent legislative authority
IMO	International Maritime Organization	RSI	Research, science and innovation
ITP	Industry Transformation Plans	RSE	Recognised Seasonal Employer
MARPOL	International Convention for the Prevention of Pollution from Ships	SLT	Senior Leadership Team
MBIE	Ministry of Business, Innovation and Employment	TAS	Temporary Accommodation Service
MCA	multi-category appropriation		
MIQ	Managed Isolation and Quarantine		

# Glossary of Terms

## Outcome

The outcome describes what we are trying to achieve and what this looks like.

## Intermediate Outcome

The intermediate outcome describes the outcome in more detail.

## Gross Domestic Product (GDP)

The total value of goods produced and services provided in a country during one year.

## Departmental Expenses

Expenses incurred by MBIE in delivering services and functions on behalf of the Government.

## Non-Departmental Expenses

Expenses incurred by entities other than MBIE in delivering services and functions on behalf of the Government.

## Types of Expenses:

### Output

A term for goods, services or functions purchased by the government. Outputs include policy advice, administration of contracts, and the provision of specific services.

### Other expense

A term for operating expenses that are not outputs, such as interest expenses and grants.

## Appropriation

An appropriation is a sum of money allocated for a particular use and includes a description of what is being purchased, why it is being purchased and how performance will be assessed. It authorises ministers to consume public resources, and ensures that Parliament knows how money will be spent and that government is held accountable for the spending.

## Types of Appropriations

### Annual appropriation

This is the most common type of appropriation and is limited to one financial year, consistent with the annual Budget cycle.

### MCA: multi-category appropriation

Multi-category appropriations consist of two or more categories of spending within a single appropriation that contribute to the same overarching purpose.

### MYA: multi-year appropriation

Multi-year appropriations allow expenses or capital expenditure to be incurred during a specified period of no more than five financial years. MYAs are generally used where uncertainties or dependencies are likely to affect when costs are incurred (e.g. milestone payments for a multi-year project).

### PLA: permanent legislative authority

Permanent appropriations are authorised by legislation other than an Appropriation Act and continue in effect for an indefinite period. Generally, the authorising legislation will impose limits on the scope of the appropriation and not its amount.

## Main Estimates

The Main Estimates are the Government's approved set of appropriations for a year. They are approved and published before the start of the financial year to which they relate.

## Supplementary Estimates

The Supplementary Estimates are the Government's approved changes to appropriations within a financial year and supersede the information in the Main Estimates for that year.







**Te Kāwanatanga o Aotearoa**  
New Zealand Government

MBIE 9662