

The Treasury

Budget 2022 Information Release

August 2022

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
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- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon

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2022 Budget Package: Vote Business, Science and Innovation (Technical Initiatives)

Appropriation Administrator: Ministry of Business, Innovation and Employment

It is recommended that the relevant Appropriation Minister and the Minister of Finance (or in the case of initiative 14407 the Associate Minister of Finance (Hon Dr Megan Woods) on behalf of the Minister of Finance) jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2022 Budget package, as detailed in the summary table(s) below:

Summary of Technical Initiative(s) Agreed by Cabinet:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14407	2023 FIFA Women's World Cup	(4.000)	4.000	-	-	-
14428	America's Cup 36 (AC36) underspend	(2.700)	2.700	-	-	-
14405	Creation of the 'Managing Security of New Zealand's Electricity Supply' MYA	-	-	-	-	-
14412	Digital Economy Policy Transfer	-	-	-	-	-
14423	Disestablishment of Pike River Recovery Agency (PRRA)	(0.500)	0.500	-	-	-
14409	In principle Expense transfer of the Economic Development: Major Events Development Fund 2017- 2022 (MYA)	-	-	-	-	-
14400	Increase in Electricity Authority Litigation Fund	-	-	-	-	-
14403	Levy Funding the Electricity Authority's 'Electricity Industry Governance and Market Operations' Appropriation	-	-	-	-	-
14404	Levy Funding Electricity Authority's 'Electricity Litigation Fund' Appropriation	-	-	-	-	-
14401	Levy Funding the Energy Efficiency and Conservation Authority's Appropriation	-	-	-	-	-
14413	Organisational Policy on the Useful Life for Software Assets	0.248	0.373	0.373	0.373	0.124
14406	Retention of funding for the Emergency Caller Location Information service.	-	-	-	-	-
14414	Software as a Service (SaaS) Retrospective Adjustment	-	-	-	-	-
14410	Transfer underspends from expiring Economic and Regional	-	-	-	-	-

	Development MYAs to successor Appropriations					
Total Operating		(6.952)	7.573	0.373	0.373	0.124

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14410	Transfer underspends from expiring Economic and Regional Development MYAs to successor Appropriations	-	-	-	-	-
Total Capital		-	-	-	-	-

2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2022 Budget package for the above Vote, as detailed in the summary table(s) above;
- ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2021/22 approved by Joint Ministers as authorised above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2022/23 Estimates and being sought in the Appropriation (2022/23 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
- iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2021/22 Supplementary Estimates, the 2022/23 Estimates and the fiscal forecasts;
- v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent and/or Statement of Performance Expectations;
- vi. **noted** that all communications relating to the 2022 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;

3 **agree** to establish new appropriations where required to implement the initiative(s) included in

the summary table(s) above, as detailed in the attached initiative document(s);

- 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2021/22 detailed in the attached initiative document(s) be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: 2023 FIFA Women's World Cup

Description: To use funding from the Major Events Fund to cover compliance costs associated with hosting the 2023 FIFA Women's World Cup for host cities, stadiums and training venues. \$5 million of the funding from the Major Events Development Fund in 2021/22 is currently ring-fenced for Team New Zealand only, but is dependent on the 37th America's Cup being hosted in New Zealand.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(4.000)	4.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(4.000)	4.000	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Economic Development: Major Events Development Fund 2017-2022 (MYA)	(9.000)	-	-	-	-
Economic and Regional Development: Major Events Development Fund 2022-2027 (MYA)	-	(6.000)			
Sport and Recreation: 2023 FIFA Women's World Cup (MYA)	5.000	10.000	-	-	-
Total Operating	(4.000)	4.000	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 7 **note** that in the March Baseline Update, Joint Ministers approved the establishment of a new multi-year appropriation with the title "2023 FIFA Women's World Cup 2020-2024 MYA";
- 8 **agree** that as the FIFA World Cup takes place in 2023, this title be amended to "2023 FIFA Women's World Cup MYA";

- 9 **agree** the Multi Year Appropriation: "2023 FIFA Women's World Cup MYA" is adjusted by \$15.000 million;
- 10 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Sport and Recreation: 2023 FIFA Women's World Cup" is the indicative annual spending profile;
- 11 **agree** the Multi Year Appropriation: "Economic Development: Major Events Development Fund 2017-2022" is adjusted by \$(9.000) million;
- 12 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Economic Development: Major Events Development Fund 2017-2022" reflect the change to the indicative annual spending profile;
- 13 **agree** the Multi Year Appropriation: "Economic Development: Major Events Development Fund 2022-2027" is adjusted by \$(6.000) million;
- 14 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Economic Development: Major Events Development Fund 2022-2027" reflect the change to the indicative annual spending profile;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: America’s Cup 36 (AC36) underspend

Description: To transfer underspends from America’s Cup 36 (AC36) to the 2022-2027 Major Events Fund Multi-Year Appropriation (MYA) to assist with mitigating pressures on the Major Events Development Fund.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(2.700)	2.700	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(2.700)	2.700	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Economic Development: Assistance with Hosting of the 36th America’s Cup (MYA)	(2.700)	-	-	-	-
Non-Departmental Other Expenses:					
Economic and Regional Development: Major Events Development Fund 2022-2027 (MYA)	-	2.700	-	-	-
Total Operating	(2.700)	2.700	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 15 **agree** the Multi Year Appropriation: "Economic and Regional Development: Major Events Development Fund 2022-2027" is adjusted by \$2.700 million;
- 16 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Economic and Regional Development: Major Events Development Fund 2022-2027" reflect the change to the indicative annual spending profile;
- 17 **agree** the Multi Year Appropriation: "Economic Development: Assistance with Hosting of the 36th America’s Cup" is adjusted by \$(2.700) million;
- 18 **note** that the amounts shown in the appropriation changes table for the Multi Year

Appropriation: "Economic Development: Assistance with Hosting of the 36th America's Cup" reflect the change to the indicative annual spending profile;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Creation of the 'Managing Security of New Zealand's Electricity Supply' MYA

Description: To establish a new multi-year appropriation (MYA) for managing the security of New Zealand electricity supply. The appropriation will replace the old MYA appropriation, which is due to expire on 30 June 2022, and is levy funded.

New Appropriation Approval

Name	Appropriation Minister	Appropriation Administrator	Period	Type	Scope
Energy and Resources: Managing the Security of New Zealand's Electricity Supply 2022-2027	Minister of Energy and Resources		Other Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 6.000	Non-Departmental Output Expense	This appropriation is limited to the management by the System Operator of actual or emerging emergency events relating to the security of New Zealand's electricity supply.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	1.200	1.200	1.200	1.200
Total	-	1.200	1.200	1.200	1.200

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Energy and Resources: Managing the Security of New Zealand's Electricity Supply 2022-2027 (MYA)	-	1.200	1.200	1.200	1.200
Total Operating	-	1.200	1.200	1.200	1.200
Total Capital	-	-	-	-	-

Additional Recommendations

- 19 **note** that this initiative is fully funded by the Levy on Electricity Industry;
- 20 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Energy and Resources: Managing the Security of New Zealand's Electricity Supply 2022-2027" is the indicative annual spending profile;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Digital Economy Policy Transfer

Description: The Digital Economy Policy funding is to be transferred from the Economic Development category to the Communications category in the Policy Advice and Related Services to Ministers Multi-Category Appropriation (MCA), to align the funding with the portfolio. The category name should also be updated to Policy Advice and Related Services to Ministers - Digital Economy and Communications.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice and Related Services to Ministers - Communications (funded by revenue Crown)	0.900	0.900	0.900	0.900	0.900
Policy Advice and Related Services to Ministers - Economic Development (funded by revenue Crown)	(0.900)	(0.900)	(0.900)	(0.900)	(0.900)
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services to Ministers (MCA)	-	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 21 **agree** to rename the Policy Advice and Related Services to Ministers - Communications category within the Policy advice and Related Services Multi Category Appropriation to Policy Advice and Related Services to Ministers - Digital Economy and Communications;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Disestablishment of Pike River Recovery Agency (PRRA)

Description: The Ministry of Business, Innovation and Employment has investigated options to support the disestablishment of PRRA post-30 June 2022. Underspenders have been identified in the Industry Transformation Plan programme in the Policy Advice and Related Services to Ministers MCA and Cabinet approval is required to transfer these underspenders.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Pike River Re-entry: Disestablishment of Pike River Recovery Agency	Minister Responsible for Pike River Re-entry	Annual	Departmental Output Expenses	N/A	This appropriation is limited to supporting the disestablishment of the former Pike River Recovery Agency.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(0.500)	0.500	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.500)	0.500	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Pike River Re-entry: Disestablishment of Pike River Recovery Agency (funded by revenue Crown)	-	0.500	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Services to Ministers (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice and Related Services to Ministers - Economic Development	(0.500)	-	-	-	-

(funded by revenue Crown)					
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Services to Ministers (MCA)	(0.500)	-	-	-	-
Total Operating	(0.500)	0.500	-	-	-
Total Capital	-	-	-	-	-

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: In principle Expense transfer of the Economic Development: Major Events Development Fund 2017- 2022 (MYA)

Description: To transfer any 2021/22 underspends from the Non-Departmental Other Expense: Economic Development: Major Events Development Fund 2017-2022 appropriation to the Economic and Regional Development: Major Events Development Fund 2022-2027 MYA in 2022/23. This will be subject to confirmation of the amount in the October Baseline Update, following the presentation of the 2021/22 audited financial statements.

Additional Recommendation

22 **agree in principle** to transfer any 2021/22 underspends from the Non-Departmental Other Expense: 'Economic Development: Major Events Development Fund 2017 2022' appropriation to the 'Economic and Regional Development: Major Events Development Fund 2022-2027' MYA in 2022/23 subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the presentation of the 2021/22 audited financial statements;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Increase in Electricity Authority Litigation Fund

Description: In February 2021, the Electricity Authority reported back on consultation on their appropriation levels for 2021/22. The outcome of this consultation was a recommendation that the Electricity Authority's Litigation Fund, which is levy funded, be increased to \$0.500 million. This was confirmed at the October Baseline Update in 2021 for 2021/22 only. An increase in levy funding of \$0.056 million is requested for 2022/23 onwards.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	0.056	0.056	0.056	0.056
Total	-	0.056	0.056	0.056	0.056

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Energy and Resources: Electricity Litigation Fund	-	0.056	0.056	0.056	0.056
Total Operating	-	0.056	0.056	0.056	0.056

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Levy Funding the Electricity Authority's 'Electricity Industry Governance and Market Operations' Appropriation

Description: The forecast revenue from the Electricity Authority's levy funding is proposed to be revised by \$2.000 million to \$82.663 million. This is because of cost increases for the implementation of trading conduct rules and the wholesale market competition review in 2021/22, and to fund costs associated with increases in organisational capability and moving to a commercial IT Service Management arrangement for 2022/23 and outyears. This will increase levy rates accordingly.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	2.000	2.000	2.000	2.000	2.000
Total	2.000	2.000	2.000	2.000	2.000

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Energy and Resources: Electricity Industry Governance and Market Operations	2.000	2.000	2.000	2.000	2.000
Total Operating	2.000	2.000	2.000	2.000	2.000

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Levy Funding Electricity Authority's 'Electricity Litigation Fund' Appropriation

Description: The forecast revenue from the Electricity Authority's levy funding is proposed to be revised by \$1.000 million for 2021/22 and outyears. This will increase levy rates accordingly.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	1.000	1.000	1.000	1.000	1.000
Total	1.000	1.000	1.000	1.000	1.000

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
Energy and Resources: Electricity Litigation Fund	1.000	1.000	1.000	1.000	1.000
Total Operating	1.000	1.000	1.000	1.000	1.000

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Levy Funding the Energy Efficiency and Conservation Authority's Appropriation

Description: The forecast revenue from the Energy Efficiency and Conservation Authority's levy funding is proposed to be revised from \$14.300 million to \$17.300 million. This includes \$10.500 million from the Petroleum or Engine Fuel Monitoring Levy, \$5.300 million from the Electricity Industry Levy and \$1.500 million from the Gas Safety, Monitoring and Energy Efficiency Levy. This increase will be offset by an increase in the levy rates.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	3.000	3.000	3.000	3.000
Total	-	3.000	3.000	3.000	3.000

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Energy and Resources: Energy Efficiency and Conservation	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Organisational Policy on the Useful Life for Software Assets

Description: The estimated useful life for the National Research Information System (NRIS) Custodian Application asset was initially budgeted to be depreciated across 10 years. However organisational policy requires the useful life for software assets to be typically across 4 years. A technical adjustment is required to have this updated and re-phase the budgeted depreciation profile from 10 years to 4. As a result, the overall appropriation needs to be adjusted to reflect this. This is a non-cash adjustment.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	0.248	0.373	0.373	0.373	0.124
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.248	0.373	0.373	0.373	0.124

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Research, Science and Innovation: National Research Information System (funded by revenue Crown)	0.248	0.373	0.373	0.373	0.124
Total Operating	0.248	0.373	0.373	0.373	0.124

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Retention of funding for the Emergency Caller Location Information service.

Description: Funding for the Emergency Caller Location Information service was restructured into the newly established Communications: Management of Emergency Telecommunications Capabilities appropriation through the 2021/22 March Baseline Update. Funding to support improvements to the service is currently held in the existing appropriation, which will become obsolete at the end of financial year 2021/22, even if improvements are not completed. Any underspend needs to be transferred into the new appropriation to ensure this work can be undertaken.

Additional Recommendations

- 23 **note** that funding for the Emergency Caller Location Information service from 2022/23 financial year has been restructured into a new appropriation, the scope of which reflects the services provided;
- 24 **agree in principle** to transfer any 2021/22 underspends from the Departmental Output Expense categories of "Communications: Management of Emergency Telecommunications Services MCA" into Departmental Output Expense "Communications: Management of Emergency Telecommunications Capabilities" in 2022/23, subject to confirmation of the final amount by Joint Ministers in the October Baseline Update, following the presentation of 2021/22 audited financial statements;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Software as a Service (SaaS) Retrospective Adjustment

Description: A recent change in the accounting treatment for Software as a Service (SaaS) arrangements will require a retrospective adjustment to prior year financial information.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Software as a Service intangible asset derecognition (write-off)	Minister for Economic and Regional Development	Annual	Departmental Other Expenses	N/A	This appropriation is limited to the derecognition (write-off) of a previously capitalised or planned to be capitalised intangible asset, due to the accounting policy change regarding Software as a Service.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	120.000	-	-	-	-
Total	120.000	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Other Expenses:					
Software as a Service intangible asset derecognition (write-off)	120.000	-	-	-	-
Total Operating	120.000	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

25 **note** that there has been a recent change in the accounting treatment for Software as a

Service (SaaS) arrangements which will be applicable for financial reporting in the 2021/22 fiscal year;

- 26 **note** that the change in the accounting treatment for SaaS arrangements will require a retrospective adjustment to prior year financial information;
- 27 **note** that to adopt the accounting policy change is a current year decision and that an appropriation is required for a retrospective adjustment that results in the write off of an intangible asset from a department's balance sheet at 30 June 2021;
- 28 **note** that the retrospective adjustment is a non-cash expense and does not impact on funding;

Vote: Business, Science and Innovation

Appropriation Administrator: Ministry of Business, Innovation and Employment

Title: Transfer underspends from expiring Economic and Regional Development MYAs to successor Appropriations

Description: To carry-forward the underspends from the Crown-owned Companies for Infrastructure MYA and Supporting Infrastructure Projects MYA in 2021/22 to the successor appropriations "Economic and Regional Development: Infrastructure Reference Group Fund MCA - Investment through Crown-owned companies" and "Economic and Regional Development: Infrastructure Reference Group Fund MCA - Grants to support Infrastructure Projects" in 2022/23 respectively. The final amount transferred will be confirmed at October Baseline Update.

Additional Recommendation

- 29 **agree in principle** to transfer any 2021/22 underspends from the 'Economic and Regional Development: Investment in Crown owned Companies for Infrastructure' MYA to the 'Economic and Regional Development: Infrastructure Reference Group Fund MCA 'Investment through Crow-owned Companies' in 2022/23, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the presentation of the 2021/22 audited financial statements; and
- 30 **agree in principle** to transfer any 2021/22 underspends from the 'Economic and Regional Development: Supporting Infrastructure Projects' MYA to the 'Economic and Regional Development: Infrastructure Reference Group Fund MCA 'Grants to support Infrastructure Projects' in 2022/23, subject to confirmation of the amount by Joint Ministers in the October Baseline Update, following the presentation of the 2021/22 audited financial statements.