



Cabinet

CAB Min (08) 14/1(2)

Minute of Decision

Copy Number:

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2008 Budget Package: Vote Arts, Culture and Heritage

On 14 April 2008, and following further consideration on 21 April 2008, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4982	Digital Television and Convergence Project	-	0.450	0.450	0.450	0.250
4985	Maintain Radio New Zealand's Core Services	-	2.644	2.742	2.742	2.742
5051	Historic Heritage Sites of National Symbolic Importance - Kerikeri Basin	-	0.200	-	-	-
5054A	New Zealand Screen Production Incentive Fund	-	3.000	3.250	3.250	3.250
5054B	New Zealand Screen Production Incentive Fund	-	-	5.000	5.000	5.000
5086	NZ Music Commission - Domestic Programme and International Market Development	-	1.200	1.200	1.200	1.200
5087	New Zealand Symphony Orchestra - Maintaining Current Services	-	1.100	1.100	1.100	1.100
5089	Te Papa - Cost of Services and Organisational Capability	-	3.000	3.000	3.000	3.000
5090	Antarctic Heritage Trust - Organisational Capability	-	0.170	0.170	0.170	0.170
5092	New Zealand Historic Places Trust - Operational Capability Funding	-	1.300	1.800	2.300	2.300
5289	Increase to the New Zealand Authors' Fund	-	0.500	0.500	0.500	0.500
Total Operating		-	13.564	19.912	19.712	19.512

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
4987	National War Memorial - Deferred Maintenance	-	0.160	-	-	-
5095	New Zealand Historic Places Trust - Capital Funding	-	0.500	-	-	-
Total Capital		-	0.660	-	-	-

2. **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
3. **approved** the changes to appropriations and/or projected balances of net assets of the administering department to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
5. **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
6. **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2008 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;
8. **agreed** that the initiatives in the following table be set aside as contingency items, that corresponding funding for them be set aside in the between-Budget spending contingency, and that they be submitted to Cabinet for consideration at a later stage.

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
<i>[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>					

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by the Minister of Finance**Distribution:** (see over)

Distribution:

Prime Minister

Chief Executive, DPMC

Director PAG, DPMC

Chief Executive, Ministry for Culture and Heritage

Minister of Finance

Secretary to the Treasury

Hon Jim Anderton

Associate Minister of Finance (Hon Trevor Mallard)

Controller and Auditor-General

Vote: Arts, Culture and Heritage

Title: Digital Television and Convergence Project

Description: To support a government-industry steering group to manage New Zealand's transition to digital television (analogue switch-off), and to ensure the Ministry's capacity to manage a wide-ranging review of broadcasting regulation, which will position public broadcasting for the converging digital future.

Theme: National Identity

Theme Objective: Non-specific

Performance Information

Performance Text

The Ministry's performance will be articulated in its Statement of Intent. Performance objectives and targets for analogue switch-off will be specified by the steering group. Targets are likely to include: the number of people aware of analogue switch-off, levels of take-up, numbers of website hits. Objectives are likely to include the development of a robust monitoring system, gaining cross-industry buy-in, and achieving the switch-off target date.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.450	0.450	0.450	0.250
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.450	0.450	0.450	0.250

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice and Monitoring of Funded Agencies (funded by Revenue Crown)	-	0.450	0.450	0.450	0.250
Total Operating	-	0.450	0.450	0.450	0.250
Total Capital	-	-	-	-	-

Initiative No: 4985

Vote: Arts, Culture and Heritage

Title: Maintain Radio New Zealand's Core Services

Description: To provide additional funding to NZ On Air to enable Radio New Zealand (RNZ) to partially implement the findings of the recent RNZ baseline funding review.

Theme: National Identity

Theme Objective: Reinforcing community

Performance Information

Performance Text

Performance objectives for RNZ operations are set out in its Statement of Intent, against which its performance is monitored by NZ On Air.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	2.644	2.742	2.742	2.742
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.644	2.742	2.742	2.742

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Public Broadcasting Services	-	2.644	2.742	2.742	2.742
Total Operating	-	2.644	2.742	2.742	2.742
Total Capital	-	-	-	-	-

Vote: Arts, Culture and Heritage

Title: National War Memorial - Deferred Maintenance

Description: The elevator in the Carillon tower is not able to be maintained in working order and the aging of the storm water system has rendered it a risk to the integrity of the building. Both require urgent upgrading.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

Funding is required to ensure that the memorial is maintained to an appropriate standard in order to make it a safe workplace and to prevent more costly damage occurring.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	National War Memorial	N/A	This appropriation is limited to capital works at the National War Memorial in Wellington

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.160	-	-	-
No Impact	-	-	-	-	-
Total	-	0.160	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Capital Expenditure: National War Memorial	-	0.160	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	0.160	-	-	-

Additional Recommendations

noted that it is uncertain at this time the extent to which the required work will be capital or operating in nature;

authorised the Minister of Finance and the Minister for Arts, Culture and Heritage, as joint Ministers, to agree as necessary a capital/operating swap for some or all of the above amount as the nature of the work becomes evident;

noted that any such capital/operating swap will be included in the next available baseline update.

Initiative No: 5051

Vote: Arts, Culture and Heritage

Title: Historic Heritage Sites of National Symbolic Importance - Kerikeri Basin

Description: To enhance one of New Zealand's most important historic heritage sites, Kerikeri Basin, responding to a 2005 Manifesto commitment. This funding will also ensure the successful completion of the Kerikeri Bypass project.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

A heritage consultant will commence work from July 2008, and will develop a plan for enhancement of the Kerikeri Basin in accordance with international standards of best practice for conservation consistent with its potential world heritage status.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.200	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.200	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Policy Advice and Monitoring of Funded Agencies (funded by Revenue Crown)	-	0.200	-	-	-
Total Operating	-	0.200	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 5054A

Vote: Arts, Culture and Heritage

Title: New Zealand Screen Production Incentive Fund

Description: An incentive that provides a grant for qualifying New Zealand production expenditure on eligible New Zealand screen productions. The incentive supports the sustainability of New Zealand screen production as a flagship cultural industry.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

The New Zealand Screen Production Incentive Fund provides a grant of 40% of qualifying New Zealand production expenditure (QNZPE) on eligible New Zealand films, and 20% of eligible television (primarily scripted drama and comedy) and other screen production expenditure such as documentaries and animated productions. The amount of eligible QNZPE for any individual production is limited to \$15 million, and minimum thresholds will be established.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	3.000	3.250	3.250	3.250
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	3.250	3.250	3.250

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Promotion and Support of the Arts and Film	-	3.000	3.250	3.250	3.250
Total Operating	-	3.000	3.250	3.250	3.250
Total Capital	-	-	-	-	-

Initiative No: 5054B

Vote: Arts, Culture and Heritage

Title: New Zealand Screen Production Incentive Fund

Description: An incentive that provides a grant for qualifying New Zealand production expenditure on eligible New Zealand screen productions. The incentive supports the sustainability of New Zealand screen production as a flagship cultural industry.

Theme: Economic Transformation

Theme Objective: Developing arts and culture

Performance Information

Performance Text

The New Zealand Screen Production Incentive Fund provides a grant of 40% of qualifying New Zealand production expenditure (QNZPE) on eligible New Zealand films, and 20% of eligible television (primarily scripted drama and comedy) and other screen production expenditure such as documentaries and animated productions. The amount of eligible QNZPE for any individual production is limited to \$15 million, and minimum thresholds will be established.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	5.000	5.000	5.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	5.000	5.000	5.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Promotion and Support of the Arts and Film	-	-	5.000	5.000	5.000
Total Operating	-	-	5.000	5.000	5.000
Total Capital	-	-	-	-	-

Initiative No: 5086

Vote: Arts, Culture and Heritage

Title: NZ Music Commission - Domestic Programme and International Market Development

Description: New and ongoing baseline funding for the New Zealand Music Commission (NZMC) to maintain current services, including an international market development grants programme, is required as the current appropriation for core funding and the grants programme expires in June 2008.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

NZMC will support the development of the NZ music industry through extending public exposure to contemporary popular NZ music; increasing knowledge and professional expertise of musicians and businesses; and providing market development initiatives to increase international exposure and sales for NZ music. NZMC will support research into new markets and business models; maintain a national reach; and facilitate showcasing opportunities overseas for NZ music.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.200	1.200	1.200	1.200
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.200	1.200	1.200	1.200

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Performing Arts Services	-	1.200	1.200	1.200	1.200
Total Operating	-	1.200	1.200	1.200	1.200
Total Capital	-	-	-	-	-

Initiative No: 5087

Vote: Arts, Culture and Heritage

Title: New Zealand Symphony Orchestra - Maintaining Current Services

Description: An increase in baseline funding to cover a proportion of cost increases for New Zealand Symphony Orchestra (NZSO) to enable it to maintain current services for the period 2008/09 to 2010/11.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

An increase in baseline funding will contribute to NZSO maintaining its current level of activity for the next two years; provide artistically excellent performances of an international standard; tour to a minimum of 20 communities per year; perform over 100 concerts to total audiences of at least 100,000. NZSO will provide cultural leadership with a commitment to New Zealand music, composers and soloists; education activities and recordings.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.100	1.100	1.100	1.100
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.100	1.100	1.100	1.100

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Performing Arts Services	-	1.100	1.100	1.100	1.100
Total Operating	-	1.100	1.100	1.100	1.100
Total Capital	-	-	-	-	-

Vote: Arts, Culture and Heritage

Title: Te Papa - Cost of Services and Organisational Capability

Description: Increased baseline funding to help Te Papa maintain services and address critical management and business systems work.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

Core operational capability will be maintained, and business, human resources and project management systems will be improved.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	3.000	3.000	3.000	3.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	3.000	3.000	3.000

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Museum Services	-	3.000	3.000	3.000	3.000
Total Operating	-	3.000	3.000	3.000	3.000
Total Capital	-	-	-	-	-

Vote: Arts, Culture and Heritage

Title: Antarctic Heritage Trust - Organisational Capability

Description: An increase to baseline funding of \$170,000 for increased administrative costs including increased cost recovery requirements of Antarctica NZ.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

Maintaining core operational capability for the Antarctic Heritage Trust to enable it to carry out major fundraising from other sources.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.170	0.170	0.170	0.170
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.170	0.170	0.170	0.170

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Management of Historic Places	-	0.170	0.170	0.170	0.170
Total Operating	-	0.170	0.170	0.170	0.170
Total Capital	-	-	-	-	-

Initiative No: 5092

Vote: Arts, Culture and Heritage

Title: New Zealand Historic Places Trust - Operational Capability Funding

Description: Increased operating funding for staffing, capability and property maintenance.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

Maintaining core operational capability for the New Zealand Historic Places Trust.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	1.300	1.800	2.300	2.300
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.300	1.800	2.300	2.300

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses: Management of Historic Places	-	1.300	1.800	2.300	2.300
Total Operating	-	1.300	1.800	2.300	2.300
Total Capital	-	-	-	-	-

Initiative No: 5095

Vote: Arts, Culture and Heritage

Title: New Zealand Historic Places Trust - Capital Funding

Description: One-off capital funding for IT systems.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

IT systems and processes will be improved.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.500	-	-	-
No Impact	-	-	-	-	-
Total	-	0.500	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Capital Expenditure: New Zealand Historic Places Trust	-	0.500	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	0.500	-	-	-

Initiative No: 5289

Vote: Arts, Culture and Heritage

Title: Increase to the New Zealand Authors' Fund

Description: The Authors' Fund compensates authors for the loss of royalty income on sales for books held in New Zealand libraries. This initiative seeks to increase the rate paid per book beyond the level for 2007/08, which was \$2.09.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2007/08	2008/09	2009/10	2010/11	2011/12
Quantity						
Payments consistent with criteria	Percentage	-	100	100	100	100
Rate paid per book	\$	-	2.67	2.50	2.34	2.22

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	0.500	0.500	0.500	0.500
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.500	0.500	0.500	0.500

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Non-Departmental Output Expenses:					
Promotion and Support of the Arts and Film	-	0.500	0.500	0.500	0.500
Total Operating	-	0.500	0.500	0.500	0.500
Total Capital	-	-	-	-	-