



Cabinet

CAB Min (07) 12/1(3)

Minute of Decision

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Minister for Arts, Culture and Heritage

Copies to:

Prime Minister
Deputy Prime Minister
Minister of Finance
Hon Jim Anderton
Minister of Broadcasting (Culture and Heritage)
Associate Minister of Finance
(Hon Trevor Mallard)
Associate Minister for Arts, Culture and Heritage
(Hon Judith Tizard)
Associate Minister for Arts, Culture and Heritage
(Hon Mahara Okeroa)
Controller and Auditor-General

2007 Budget Package: Vote Arts, Culture and Heritage

On 19 April 2007, Cabinet:

1. **approved** the Budget initiatives for the above Vote for inclusion in the 2007 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)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
3919	Additional Baseline Capacity for the Ministry for Culture and Heritage	-	2.150	2.070	2.070	2.070
4016	Enhanced NZ On Air Services	-	2.000	2.000	2.000	2.000
4020	Maintenance of Radio New Zealand's Core Services	-	1.142	1.142	1.142	1.142
4092	New Zealand Music Industry Commission (NZMIC) Capability	-	0.533	-	-	-
4095	Maintenance of NZ Film Archive (NZFA) Capability	-	0.500	0.500	0.500	0.500
4096	Authentication of Protected Objects	-	0.030	0.030	0.030	0.030
4099	Conservation of Crown-Owned Artifacts	-	0.030	0.030	0.030	0.030
Total Operating		-	6.385	5.772	5.772	5.772

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
3919	Additional Baseline Capacity for the Ministry for Culture and Heritage	-	0.250	-	-	-
4020	Maintenance of Radio New Zealand's Core Services	-	0.521	-	-	-
4091	NZ Film Commission (NZFC) Relocation	-	0.946	-	-	-
Total Capital		-	1.717	-	-	-

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 (where applicable) to implement the initiatives, as set out in the attached initiative documents;
4. **approved** the additional recommendations (where applicable) 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 2006/07 above be included in the 2006/07 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 2006/07 Supplementary Estimates, the 2007/08 Estimates and the fiscal forecasts;
7. **noted** that all communications relating to the 2007 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;

[information deleted in order to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]

Secretary of the Cabinet

References: CAB (07) 135, CAB (07) 135A

Initiative No: 3919**Vote:** Arts, Culture and Heritage**Title:** Additional Baseline Capacity for the Ministry for Culture and Heritage**Description:** Restore and develop the capability required in order to meet stakeholder expectations for current service delivery, and also enable the Ministry to enhance the value of its current outputs.**Theme:** National Identity**Theme Objective:** Non-specific**Performance Information****Performance Text**

Improved capacity will be achieved in respect of the policy and agency monitoring functions, history and heritage services and internal support services.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.150	2.070	2.070	2.070
Debt Impact	-	0.250	-	-	-
No Impact	-	-	-	-	-
Total	-	2.400	2.070	2.070	2.070

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Heritage Services (funded by Revenue Crown)	-	0.754	0.715	0.715	0.715
Policy Advice and Grants Administration (funded by Revenue Crown)	-	1.396	1.355	1.355	1.355
Net Asset Schedule: Capital Investment	-	0.250	-	-	-
Total Operating	-	2.150	2.070	2.070	2.070
Total Capital	-	0.250	-	-	-

Vote: Arts, Culture and Heritage

Title: Enhanced NZ On Air Services

Description: Additional funding to enable NZ On Air to maintain services and to develop appropriate programming for the emerging digital environment.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

This addition to NZ On Air's current baseline appropriation in the 2007/08 year is made in the light of current funding pressures facing the organisation, and with a view to contributing to the development of innovative and relevant content for broadcast in a digital television environment.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	2.000	2.000	2.000	2.000
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.000	2.000	2.000	2.000

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses: Public Broadcasting Services	-	2.000	2.000	2.000	2.000
Total Operating	-	2.000	2.000	2.000	2.000
Total Capital	-	-	-	-	-

Vote: Arts, Culture and Heritage

Title: Maintenance of Radio New Zealand's Core Services

Description: Additional funding to enable Radio New Zealand (RNZ) to maintain core services, to implement a remuneration strategy to bring RNZ into line with the public sector median, and to complete new initiatives part-funded in previous years.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

Additional funding is needed to ensure that RNZ can continue to deliver those services and outputs specified in its Statement of Intent. The new initiatives approved over recent years have been implemented and now make up key elements of RNZ's core operations such as website services and expanded and more diverse regional reporting.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	1.142	1.142	1.142	1.142
Debt Impact	-	0.521	-	-	-
No Impact	-	-	-	-	-
Total	-	1.663	1.142	1.142	1.142

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Public Broadcasting Services	-	1.142	1.142	1.142	1.142
Capital Expenditure: Radio New Zealand	-	0.521	-	-	-
Total Operating	-	1.142	1.142	1.142	1.142
Total Capital	-	0.521	-	-	-

Vote: Arts, Culture and Heritage

Title: NZ Film Commission (NZFC) Relocation

Description: A one-off payment to cover relocation costs and the costs of fitting-out new premises in 2007.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

NZFC will vacate its current premises at 119 Jervois Quay by 30 June 2007 and relocate to new premises. They will negotiate the terms of a new lease (in Ghuznee St and for a lease term of six years plus one six-year right of renewal). Disruption of normal operations will be minimal and not impact negatively on the film sector in any significant way.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Capital Expenditure	Annual	New Zealand Film Commission	N/A	Capital expenditure for relocation costs and fit-out of new premises.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	0.946	-	-	-
No Impact	-	-	-	-	-
Total	-	0.946	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Capital Expenditure: New Zealand Film Commission	-	0.946	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	0.946	-	-	-

Vote: Arts, Culture and Heritage

Title: New Zealand Music Industry Commission (NZMIC) Capability

Description: Continuation of current baseline funding to NZMIC in 2007/08 to maintain support for the New Zealand music industry pending a full review of the organisation and the Outward Sound funding programme in 2007.

Theme: National Identity

Theme Objective: Developing arts and culture

Performance Information

Performance Text

NZMIC will deliver a base level of support for the New Zealand music industry through domestic and international initiatives and continue to administer the Outward Sound international music marketing grants programme in 2007/08. Activity will contribute to the following long term outcomes:

- Continued growth in the capacity and capability of NZ music businesses
- Continued growth of domestic consumption of NZ music
- Expansion of international recognition and overseas income from NZ music

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.533	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.533	-	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses:					
Performing Arts Services	-	0.533	-	-	-
Total Operating	-	0.533	-	-	-
Total Capital	-	-	-	-	-

Vote: Arts, Culture and Heritage

Title: Maintenance of NZ Film Archive (NZFA) Capability

Description: Increased baseline funding to ensure the issues identified in the Capability Review of the Film Archive are addressed and the organisation is able to carry out its core functions.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Text

Improved capacity will be achieved in respect of developing and maintaining the national moving image collection, presenting the collection to audiences and maintaining office systems.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & 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)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Museum Services	-	0.500	0.500	0.500	0.500
Total Operating	-	0.500	0.500	0.500	0.500
Total Capital	-	-	-	-	-

Additional Recommendation(s)

noted that the government expects that the NZFA will seek additional third party funding in order to achieve a 2:1 ratio between third party and Crown revenue, thereby minimising pressure for additional capability funding being sought from government;

directed officials from the Ministry for Culture and Heritage to report back to the responsible Minister and the Minister of Finance by 29 February 2008 on the NZFA's progress in reaching the above revenue ratio target.

Vote: Arts, Culture and Heritage

Title: Authentication of Protected Objects

Description: Under the Protected Objects Act 1975, Maori artifacts are required to be issued with a certificate of examination by an authorised museum before they may be sold. Each museum receives a grant towards the cost of this activity. The budget of \$19,000 has not increased since 1987.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Number of artifacts per year examined by the authorised four Museums	Artifacts examined	0	700	700	700	700
Quality						
Artifacts are examined only by suitably qualified Museum professionals	%	0	100	100	100	100
Timeliness						
Maximum time taken to complete an examination and issue a certificate	days per spartifact	0	28	28	28	28

Performance Text

This activity is demand driven so the performance specification can only ever be an estimate.

New Appropriation Approvals

Type	Period	Name	MCOA Output Class	Scope
Non-Departmental Output Expenses	Annual	Protection of Taonga Tuturu	N/A	Provision of services by authorised museums under the Protected Objects Act 1975 and conservation of newly found taonga tuturu.

Appropriation Changes

Initiative No: 4096

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.030	0.030	0.030	0.030
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.030	0.030	0.030	0.030

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Non-Departmental Output Expenses:					
Museum Services	-	(0.019)	(0.019)	(0.019)	(0.019)
Protection of Taonga Tuturu	-	0.049	0.049	0.049	0.049
Total Operating	-	0.030	0.030	0.030	0.030
Total Capital	-	-	-	-	-

Additional Recommendation(s)

noted that the original baseline funding of \$0.019 million for authentication of protected objects has been transferred from the non-departmental output expense Museum Services to the new non-departmental output expense Protection of Taonga Tuturu.

noted that the new non-departmental output expense Protection of Taonga Tuturu includes new funding for both authentication of protected objects and conservation of Crown-owned artifacts.

Vote: Arts, Culture and Heritage

Title: Conservation of Crown-Owned Artifacts

Description: The Protected Objects Act 1975 provides that any newly-found Maori artifact is, prima facie, owned by the Crown. The Act requires the Ministry to arrange any conservation treatment required.

Theme: National Identity

Theme Objective: Connecting to our heritage

Performance Information

Performance Table

	Unit of Measurement	Performance Specification				
		2006/07	2007/08	2008/09	2009/10	2010/11
Quantity						
Number of newly found Maori artifacts conserved	No. of artifacts	0	12	12	12	12
Quality						
Artifacts are conserved using internationally recognised best practice	%	0	100	100	100	100

Performance Text

The output is demand driven depending on the number of taonga found in any one year. The costs are also dependent on the type and size of the objects to be treated and the level of decay (some objects can take up to three years to treat). The activity is totally unpredictable with annual costs, historically, ranging from zero to up to \$45,000.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.030	0.030	0.030	0.030
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.030	0.030	0.030	0.030

Initiative No: 4099

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Protection of Taonga Tuturu	-	0.030	0.030	0.030	0.030
Total Operating	-	0.030	0.030	0.030	0.030
Total Capital	-	-	-	-	-

Additional Recommendation(s)

noted that the new non-departmental output expense Protection of Taonga Tuturu includes new funding for both authentication of protected objects and conservation of Crown-owned artifacts.