



Cabinet

CAB Min (07) 12/1(48)

Minute of Decision

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Minister of Tourism

Copies to:

Prime Minister
Deputy Prime Minister
Minister of Finance
Hon Jim Anderton
Associate Minister of Finance
(Hon Trevor Mallard)
Controller and Auditor-General

2007 Budget Package: Vote Tourism

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
3951	MED Baseline Pressures - strengthening tourism policy advice capability	-	0.100	0.150	0.130	0.165
3955	Strategic Tourism Marketing of New Zealand in China	-	3.000	4.000	-	-
4196	MED Baseline Pressures - tourism research programme	-	0.210	0.210	0.205	0.195
Total Operating		-	3.310	4.360	0.335	0.360

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Total Capital		-	-	-	-	-

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

Secretary of the Cabinet

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

Vote: Tourism

Title: MED Baseline Pressures - strengthening tourism policy advice capability

Description: Enhancements to policy capability to address emerging strategic issues including aviation and environmental sustainability.

Theme: Economic Transformation

Theme Objective: Firms' international links

Performance Information

Performance Text

The Ministry must deliver on the outputs in its Statement of Intent and improved advice to the Minister of Tourism on the development of strategic tourism environmental sustainability policy and analysis capability for impacts, risks and opportunities for the tourism sector presented by strategic aviation developments.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.100	0.150	0.130	0.165
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.100	0.150	0.130	0.165

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General): Policy Advice - Tourism (funded by Revenue Crown)	-	0.100	0.150	0.130	0.165
Total Operating	-	0.100	0.150	0.130	0.165
Total Capital	-	-	-	-	-

Additional Recommendations

noted that this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance.

Vote: Tourism

Title: Strategic Tourism Marketing of New Zealand in China

Description: Establishing New Zealand's country profile in the minds of targeted high value Chinese consumers in key mainland China markets to realise tourism economic benefits, avoid continued growth of undifferentiated price-based tourism and optimise spill over benefits to other New Zealand export sectors.

Theme: Economic Transformation

Theme Objective: Firms' international links

Performance Information

Performance Text

Brand marketing and segmentation strategy for China will be established and operated to address current market quality issues, improve tourism yield and length of stay and provide a broader range of leverage opportunities for NZ Inc to maximise spillover to other sectors. Improve New Zealand's management of the Approved Destination Status (ADS) visa system so that it is operated according to the specifications of the recently completed onshore ADS review.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Operating Balance Impact	-	3.000	4.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.000	4.000	-	-

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11 & Outyears
Non-Departmental Output Expenses: Marketing of New Zealand as a Visitor Destination	-	3.000	4.000	-	-
Total Operating	-	3.000	4.000	-	-
Total Capital	-	-	-	-	-

Initiative No: 4196**Vote:** Tourism**Title:** MED Baseline Pressures - tourism research programme**Description:** Increases in costs and quality requirements, and to meet industry demand for regional level data to support investment decisions.**Theme:** Economic Transformation**Theme Objective:** Firms' international links**Performance Information****Performance Text**

The Ministry must deliver on the outputs in its Statement of Intent and maintenance of the tourism core dataset to meet industry demand and the completion of the Commercial Accommodation Monitor review with Statistics New Zealand.

Appropriation Changes

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Operating Balance Impact	-	0.210	0.210	0.205	0.195
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.210	0.210	0.205	0.195

	\$m - increase/(decrease)				
	2006/07	2007/08	2008/09	2009/10	2010/11& Outyears
Departmental Output Expenses (General):					
Policy Advice - Tourism (funded by Revenue Crown)	-	0.210	0.210	0.205	0.195
Total Operating	-	0.210	0.210	0.205	0.195
Total Capital	-	-	-	-	-

Additional Recommendations

noted this initiative is funded from offsetting savings as part of a cross Vote baseline pressures package agreed by MED Ministers to address fiscal risks within the Ministry of Economic Development, and the overall baseline pressures package has no net impact on the operating balance.