

The Treasury

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
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- [14] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Four Year Plan
Vote Arts, Culture and Heritage
Vote Sport and Recreation

1.0 Strategic direction

1.1 Purpose

New Zealand's distinctive culture enriches our lives

This vision recognises that our distinctive culture is a core part of what makes New Zealand a great place to live. New Zealand's cultural sector is diverse, touching many areas of our lives, and New Zealanders place great value on these activities. Cultural activity can involve people coming together in their own communities to explore family history, to play sport, or to participate in a local festival, as well as public and private institutions engaging New Zealanders and visitors, showcasing our heritage, our arts and our sports to ourselves and the world.

Māori culture makes New Zealand unique in a globalised world and is central to our sense of place, identifying us as a nation. Active support for, protection of the diversity of Māori culture, and participation in distinct Te Ao Māori activity – based on strong partnerships between Māori and the Crown – will ensure this fundamental feature of New Zealand culture flourishes.

Manatū Taonga – the Ministry for Culture and Heritage (MCH) is the Ministry for advising government on media, cultural and heritage matters. We fund, monitor and support a diverse portfolio of 19 agencies, including Crown entities, non-government organisations (NGOs), and a statutory body. 2013/14 direct government investment in the cultural sector, which includes arts, culture, heritage, media, sport and recreation, is expected to total \$360 million. All but around \$22 million of this funding is channelled through sector entities.

New Zealand's cultural sector encompasses a broad range of industries and activities including: film, broadcasting and digital technologies, design, literature, visual arts, music, theatre, dance, natural and built heritage, libraries and archives, museums and galleries, and sport and recreation.

Many individuals and organisations are active in the cultural sector, from individual artists to national funding bodies such as Creative New Zealand, the New Zealand Film Commission, NZ On Air and Sport NZ. National organisations such as Te Papa, the New Zealand Symphony Orchestra and the New Zealand Historic Places Trust play key roles in promoting, protecting and presenting our art and heritage. Also important are community arts organisations, regional theatres and orchestras and the more than 500 museums and galleries around the country.

1.2 Outcomes framework

MCH's outcomes framework is shown below. The medium-term focus is on how government investment in the cultural sector can be more effective.

The work of MCH and its associated cultural agencies is funded through Vote Arts, Culture and Heritage and Vote Sport and Recreation. The outcomes framework forms part of our developing wider strategic direction, including MCH's strategic approaches and behaviours. MCH uses the outcomes framework to focus activity on what it needs to do to achieve the vision of 'New Zealand's distinctive culture enriches our lives'.

MCH continues to work on the intervention logic for all of its activities, and on developing the framework for measuring the impact of its interventions. There are many challenges in undertaking this work, and further research into the values of cultural sector activities is being undertaken both in New Zealand and internationally.

CULTURAL OUTCOMES FRAMEWORK

Government priorities	A more competitive and productive economy	Better public services	Rebuild Christchurch	Responsibly managing the government's finances	
↑					
Outcomes for New Zealand	A higher quality of life in our communities, towns and cities	A growing workforce that drives innovation, creativity and collaboration		A culture that is unique, distinctive and valued in a globalised world	
↑					
Vision	New Zealand's distinctive culture enriches our lives				
↑					
Sector outcomes	Create Cultural and sporting activity flourishes in New Zealand	Preserve Our heritage can be enjoyed by future generations	Engage Engagement in cultural and sporting activities is increasing	Excel Artists, athletes and organisations achieve excellence	
↑					
Sector priorities	Improving access for less well served communities	Better protection of Māori culture and heritage	Growing non-government revenue and maximising constrained resources	Digitisation and on-line publishing	Contribution of culture to meeting other social and economic objectives
↑					
Ministry impacts	Our histories, taonga, places and symbols of nationhood are preserved for past, present and future generations	People understand and enjoy New Zealand's diverse culture and heritage	Our culture inspires positive changes in communities, the economy, and the environment	New Zealand's unique Māori culture and heritage is protected and enhanced	A collaborative culture sector strengthens performance and flexibility
↑					
Ministry outputs	Fund and Monitor <ul style="list-style-type: none"> Performance monitoring and development of arts, heritage, media and sport Vote-funded agencies 	Advise <ul style="list-style-type: none"> Provide advice to support decision making by Ministers on government policy relating to arts, heritage and media Ministerial servicing Advise on and process Board appointments 	Deliver <ul style="list-style-type: none"> Maintain war graves and access to memorials and other places of national significance Collect and preserve oral history and digital stories Promote cultural events and significant commemorations Produce and promote cultural and historical resources and events Delivery of international cultural diplomacy projects Support New Zealanders' transition to digital television 	Regulate <ul style="list-style-type: none"> Administer legislation to protect Māori and New Zealand's cultural heritage 	

1.3 The Government cultural sector operating model

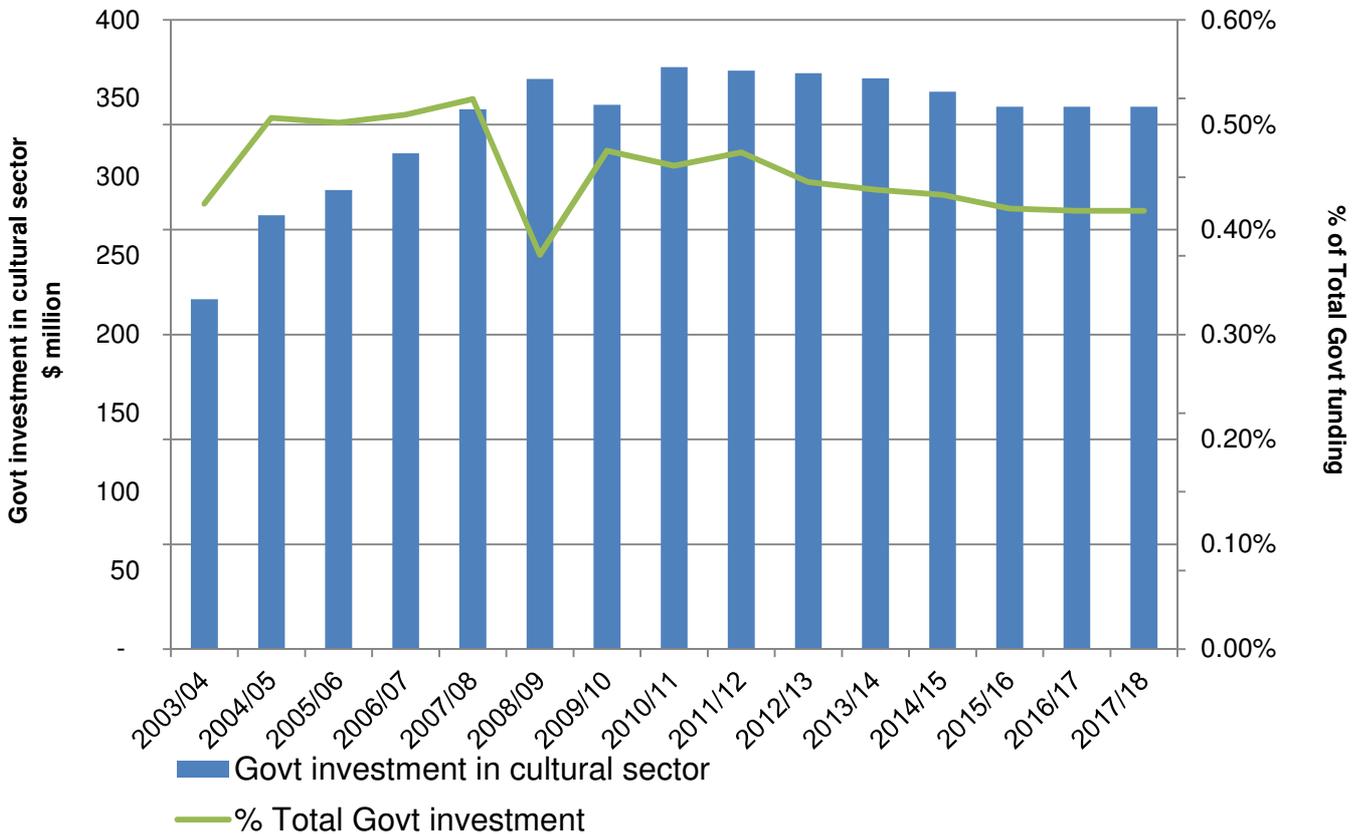
MCH provides advice to the government on cultural matters, including its involvement in heritage, history, broadcasting, media and the arts. MCH also delivers some cultural programmes on the government’s behalf and assists the government in its management of resources allocated to the support and development of culture. It undertakes activities and produces resources that foster understanding of, and access to, New Zealand’s history, culture and heritage.

MCH is responsible for monitoring the investment in the cultural sector that the government makes through Crown entities, and other entities that provide cultural goods and services.

MCH is currently shifting its emphasis in this work from an agency by agency approach to a collective direction, focused on common indicators.

MCH is using its overview of the full range of the cultural sector and its activities and issues, to inform thinking, within government and the sector itself, on how Government can support a flourishing cultural sector and the challenges required and how, in turn, support for cultural activity can contribute to Government’s goals.

**Total Government Investment in the Cultural Sector
2003/04 - 2017/18**



As shown above, government expenditure on arts, culture, media and sport, accounts for a very small percentage of total government expenditure. This modest investment enables New Zealanders to enjoy a wide range of cultural products and services, which would not otherwise be available, including:

- local content in film, on television and radio, and online;
- cultural institutions - Te Papa, regional museums and art galleries such as the Auckland Art Gallery;

- the New Zealand Symphony Orchestra and Royal New Zealand Ballet;
- opportunities for New Zealanders to participate in recreation every day and getting more New Zealanders winning on the world stage;
- the commemoration, and placement in a contemporary context, of important past national events, such as New Zealand's wartime history; and
- national and regional cultural festivals led by Te Matatini featuring haka, kapa haka, waiata and te reo Māori.

In most cases, government funding is complemented by fee-paying users, private givers, private investors or local authorities. In this way, the government's contribution acts as a catalyst by helping to ensure scarce public funding goes to activities and institutions that command real support within their communities.

Government expenditure on arts, culture and heritage accounts for a very small percentage of total government expenditure (less than 0.5 per cent, or \$360 million per annum), but spread across several Crown entities, and a small number of significant national non-government organisations. Through its leadership role, MCH has been working within this cluster of agencies to find ways of making existing resources go further by regularly reviewing services and processes to identify savings within baselines, examining opportunities to improve value for money and to develop new sources of funding government.

We are working with agencies throughout the sector, and across government to identify areas for collaboration and possible shared services. There are a great number of areas where collaboration takes place, both in administration and support services, and in shared projects and outcomes. Efficiencies enable some funding pressures to be absorbed without reducing the level of output.

MCH is leading a project with the funded agencies to explore areas which would be suitable for collaboration, shared services and co-location. In 2012/13 there were 91 identified collaborative arrangements across the central government funded cultural sector, which is an increase from 56 in 2011/12. It is possible that in future, this number will reduce as smaller collaborations become part of a larger more encompassing single collaboration, for example, co-location.

MCH continues to take steps to operate as efficiently and effectively as possible. MCH and the funded cultural agencies have already demonstrated through tools such as Benchmarking Administration and Support Services that we are operating at the lean end of the scale. In 2011/12 MCH was well below the median for its peer group across all areas of spend, and lower than the full NZ cohort for HR, Finance, ICT and Procurement.

1.4 Cultural Sector Strategy

MCH is developing a cultural sector strategy, with a set of enduring principles, which will build on the identified five priorities across the cultural sector. This will support prioritisation of activities across the Votes to maximise the contribution to sector outcomes and the overarching vision. MCH is drawing on international partners in Australia and the UK to identify methods that will help inform decisions that will maximise sector outcomes. We want to improve how we measure the value of our interventions, and as part of the Cultural Sector Strategy, MCH is working to identify the key value drivers for measuring the contribution of the government's interventions in the cultural sector.

These priorities are not all encompassing, and it will take time to fully integrate them across the sector, however they have become part of the assessment process for investments (both existing and new).

The key changes planned to the way MCH will work are:

- A more active stance on monitoring some of the funded cultural agencies, continuing to move from a more passive 'ownership' interest to an active 'purchase' interest.

- A wider and more active engagement in the sector, beyond the Crown-funded cultural entities.

MCH and our leading cultural sector agencies are fully aware of the need to be responsive to changing environments to enable the wider cultural sector to continue to flourish. The two big drivers of change within the sector at present are:

- New Zealand's changing demographic profile, especially in Auckland which presents an opportunity to develop Auckland as a pre-eminent Pacific city with cultural products and services that reflect the increasing diversity of New Zealand's communities.
- Rapidly shifting technology requiring the ability to retain existing audiences and to develop and engage new audiences using cost-effective digital technologies.

Priorities

Digitisation and online publishing

In line with the Government's aim of increasing interactions with New Zealanders on-line, the cultural agency chief executives have identified as a priority the need to increase the level of cultural product available on-line. Increasingly New Zealanders and in particular young people, are accessing information through electronic media. To reach these hard to access audiences it is important that our stories, information and other cultural products are available in new and exciting ways. This includes projects such as the digitisation of part of the work of the NZ Film Archive, using innovative ways to reach audiences with our publications and storytelling, and supporting on-line crowd funding for arts and other cultural projects.

We are now working with cultural sector agencies to ensure that New Zealand content is digital by default as a matter of course and that each agency has a digital access strategy for older material.

Growing non-government revenue for the cultural sector and maximising constrained resources

The cultural sector is a mixed economy in which most cultural activity, particularly if we include the wider creative industry, is privately funded. The role of government has been largely focused on areas that might be viewed as 'market failure' in the sense that agencies are supplying cultural outputs which citizens expect to find in a developed country. However, while the government funded sector is not insubstantial, funding is and will continue to be relatively static. Supporting the sector to grow therefore will not happen without leveraging private resources either through 'giving', sponsorship or direct private investment. There are also interventions government can put in place to incentivise diversification of revenue sources for our present and future cultural institutions.

Participants in the sector are keen for their activities, businesses and institutions to continue to grow, and become more sustainable without relying on increases in core government funding. To progress this, MCH is leading work to increase the level of cultural philanthropy, and encourage giving to the cultural sector.

The sector will continue to make the most of scarce funding sources, maximising the available funding through innovative collaboration and co-operation both within the sector and with the rest of government and the private sector. Working in partnerships will become even more important, through sponsorship and shared projects, meeting the sector outcomes using less direct funding.

Better protection and promotion of Māori culture and heritage

MCH is developing a post Treaty settlement engagement strategy. We are actively engaged with the Office for Treaty Settlements and with iwi to ensure a meaningful 'carry through' on government cultural commitments. This presents MCH with a significant resourcing challenge throughout the post Settlement period.

MCH's overarching Māori strategy, Te Arataki, sets priorities for MCH's work in recognising and working within the Crown/iwi relationship and protecting and enhancing access to Māori cultural stories, taonga and heritage, and building staff capability in working with iwi and Māori.

MCH's administration of the Protected Objects Act supports the protection of taonga tūturu throughout New Zealand, ensuring that taonga continue to be properly conserved and returned to their rightful owners. In reviewing this work during 2014-15 we will be working to deepen understand of, and better integrate, the concepts of kaitiakitanga and manaakitanga into a uniquely New Zealand/Aotearoa approach to stewardship and guardianship of taonga.

Through Sport New Zealand, we'll continue to help national sport and recreation organisations and regional sports trusts strengthen their business practices, planning and leadership to boost participation in our communities. And we will continue to increase opportunities for people to participate in community sport that is delivered within a kaupapa Māori context.

Contribution of culture to meeting wider social and economic objectives

The sector focuses on the delivery of high quality cultural outcomes and where possible seeks to pursue these in a way that also contributes to social and economic outcomes. There are a number of ways in which the cultural sector assists in achieving wider social and economic goals.

These include: the social and physical health outcomes from participation in sport; learning and development outcomes from engaging in arts and sport activities; improved social cohesion from a strong grounding in one's own culture along with appreciation of other cultures; and recognition that thriving cultural activity can make particular locations attractive places in which to live, and work, and to visit. Even where motivated by cultural objectives, cultural agencies and activities have a capacity to play a valuable support role in facilitating, for instance, government's trade, tourism and related objectives.

In Asia in particular, cultural exchange builds the trust required to do business. The Cultural Diplomacy International Programme (CDIP) continues to prioritise activities that support New Zealand as a country open for business and shared 'NZ Inc' objectives. MCH works closely with the Ministry of Foreign Affairs and Trade, NZ Trade and Enterprise, Tourism New Zealand and, more recently, Education New Zealand and Te Puni Kōkiri to facilitate New Zealand's business interests offshore.

[7]

MCH is exploring when and where we can provide stronger leadership in supporting the 'creative industries' – those activities that recognise and make use of cultural disciplines to enhance innovation and business and economic development. MCH is small and our opportunity costs in shifting focus are high so we need to be very selective in allocating staff resources. To date our focus has been on the screen sector. Other areas with a potential to contribute to high productivity jobs and the retention of intellectual property include: web design and on-line gaming and television production. MCH continues to lead the negotiation of film and television co-production agreements with a priority on a TV agreement China as both China and TV have high export, high intellectual property component and high productivity job potential.

Sport contributes to New Zealand's success in social, economic and cultural ways that can be measured and understood. As people play, train, win and lose together, the best human traits come to the fore: loyalty, camaraderie, teamwork, dedication and perseverance.

Improving access for less well served communities

It is important that the distributional effects of government investment in arts, culture and heritage are at the fore of decision making because cultural policy and programmes are very much about contributing to social cohesion and identity.

MCH is investing in built heritage across New Zealand, and many of the new projects that have been identified for investment are building up our built heritage to improve access to stories and culture for those who are less able to access them under current arrangements.

It's part of the role of government investment to ensure that all New Zealanders have access to sport and recreation activity wherever they live, whoever they are and whatever their ability.

2.0 Strategic priorities

2.1 Canterbury rebuild

The earthquakes in Canterbury have also focused the country's attention on the contribution our culture, including our built heritage, makes to our sense of nationhood. The involvement of the cultural sector in the earthquake recovery effort has demonstrated how vital participation in and access to the performing arts, museum and art collections, media, and sport are to lifting spirits and re-establishing a 'normal' family and community life.

MCH has an important role in the cultural recovery of greater Christchurch which is vital for a functioning and liveable city. Cultural activities are an integral part of life in greater Christchurch and part of the region's identity. The aim is to renew Christchurch's unique identity and its vitality expressed through sport, recreation, art, history, heritage and traditions. There are opportunities to consider cultural, sporting and recreational requirements as a whole. We will work together to identify community needs and, where appropriate, consider facilities that offer a range of cultural activities. New opportunities will be sought so cultural activities contribute to community wellbeing and economic growth.

We are managing the delivery of the programmes outlined below within our existing baselines by prioritising the Canterbury rebuild over other activities, particularly in the policy advice output area.

Sport has always been important to the people of Canterbury. It has helped keep communities together during the recovery from earthquakes and it will play an important role during the rebuilding – giving people time and space to reconnect, play and share in their city.

Canterbury Earthquake Arts and Culture Recovery Programme

As part of the wider Canterbury Earthquake Recovery Strategy MCH has been delegated responsibility for delivering the Arts and Culture Recovery Programme. The Programme will outline the overarching themes and their major projects, the timeline for completion, and how progress will be monitored. The programme is scheduled to be finalised by the end of 2013. Other Cultural agencies such as Creative New Zealand and Te Papa's National Services will have on-going roles in supporting the recovery programme with funding and advisory services over the next four years. CERA and Christchurch City Council will have responsibility for the key cultural infrastructure and anchor projects.

Canterbury Earthquake Memorial

One of the anchor projects for the rebuild of Canterbury is the development of an Earthquake memorial to honour all those affected, and form part of the on-going Canterbury recovery. 185 people died in Christchurch as a result of the 22 February 2011 earthquake, and many others were seriously injured. This will be a place where people can spend time in reflection and remembrance in central Christchurch. The earthquakes profoundly affected many people and cultures within New Zealand: nearly every person in the greater Christchurch region has an earthquake story and we all tell them in different ways.

While leadership of this project will sit with the Canterbury Earthquake Recovery Authority, MCH will be part of the Steering Group, and will have an advisory role, drawing on our experience in developing and constructing important public memorials, such as the Tomb of the Unknown Warrior in Wellington, and the New Zealand Memorial in London.

Spaces and Places Recovery Plan

As part of the wider Canterbury Earthquake Recovery Strategy, Sport New Zealand and Sport Canterbury have been delegated responsibility for delivering the People, Spaces and Places: Reshaping the Network for Sport and Recreation in greater Christchurch Programme. The plan is scheduled to be finalised in late 2013 and will identify the key sport and recreation infrastructure and support that is required to assist with Canterbury's recovery. Sport New Zealand and Sport

Canterbury will hold responsibility for tracking and monitoring the programmes delivery. The programme will include the relevant anchor projects such as the Metro Sport Facility and the new Stadium.

Greater Christchurch Heritage Buildings and Places Recovery Programme

MCH is leading the preparation of a Heritage Buildings and Places Recovery Programme for greater Christchurch. We are working with the New Zealand Historic Places Trust, Christchurch City Council, Waimakariri District Council, Selwyn District Council and Ngai Tahu. The programme coordinates, records, and communicates the range of heritage recovery work that is underway or planned by these agencies. It is being undertaken within existing baselines. The objective is to achieve an appropriate balance between:

- retaining heritage places as an important part of greater Christchurch's identity, and
- the need for wider earthquake recovery to proceed as quickly as possible.

The principal benefits include better coordination of conservation efforts and increased public awareness of heritage initiatives in greater Christchurch.

2.2 Delivering Better Public Services

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Heritage Forum

The purpose of the Heritage Forum is to encourage stronger links and more coherence across the government heritage sector and to be a visible presence promoting government heritage interests at a national level.

It has been active for around two years and has been useful as a mechanism for considering a range of heritage issues. It is clear, however, that additional support is needed for the Forum to be effective in supporting cross-sector initiatives. This needs to include some dedicated staff capacity to support

the Forum and to drive projects, and some funding to enable the Forum to 'kick-start' joint-funded projects.

MCH plans to manage other activities, to prioritise from within current baselines to ensure the viability and credibility of the Heritage Forum.

Collaboration across the sector

The cultural sector agencies, including MCH, its funded agencies and beyond, have a history of collaborating on both a major and minor scale. For example, media agencies in the sector are now co-located in one building in Wellington, to encourage closer working relationships, and the ability to share some services, including staff and IT systems.

Operational projects are also being approached in a collaborative way across the sector, including jointly funding projects in the film and TV sector, running surveys and research jointly in the sector, collaborating on the Canterbury Arts and Culture Recovery programme, and a wide variety of information and other resources shared for websites and projects across the sector.

Television New Zealand Archives

Our four year strategy for audio-visual archiving is driven by a key component of our goal to boost public access to New Zealanders access to their content and stories. This can be achieved through the Hidden Treasures digitisation boost and as a dividend from consolidation of the Television New Zealand (TVNZ) Archive into the management of the NZ Film Archive. The archive work will be linked to shared taxonomy with other culture and heritage agencies through the Heritage Forum so that searches link agencies as a collective.

Without baseline funding to shift the ownership, operation and enhanced online access, this initiative would not proceed. Instead a lower level on online access would continue by accessing an archive still owned by TVNZ.

The Government is in discussion with TVNZ to take over the management of the existing archives based at Avalon, Wellington. It is proposed that the Crown will purchase the archives facility for the market value of \$9.1 million, and that the Crown will become the custodian of the collection, responsible for the on-going operations of the facility. This capital funding is being sought through the Department for Internal Affairs.

Current operating costs are estimated at \$1.7 million, however due diligence is still required to estimate the actual costs of operation once it is transferred to the Crown. These are expected to be around \$2.5 million per annum. This is included in Annex 3 as a Budget 2014 initiative.

To date, the Archive has operated as a production library, with limited access for the public to the significant cultural heritage contained therein. As part of the transfer, it is planned, over time to provide more opportunities for improving public access to New Zealand's audio-visual content.

[7]

2.3 Business growth agenda

Employment in arts, culture and heritage alone forms around 6.9% of the workforce (in 2006 having grown from 5.9% in 1996) and evidence suggests it is continuing to grow. Another 50,000 New Zealanders work in sport and recreation.

Spending on cultural goods and services accounted for 3.6% of all household expenditure in 2006/07. This represents a higher spend than on clothing and footwear, health care or passenger transport.

Collaboration across the screen sector

Over the next four years, we are working to increase sector collaboration to maximise the collective impact of funding provided in this area. A top priority is concluding a TV co-production agreement with China. [11]

Within the screen sector, funding issues are being dealt with in a separate process and will be reported to Cabinet in 2014. Any Budget issues will be dealt with in the lead up to Budget 2014.

2.4 Responsibly managing the Government's finances

Agency Cost Analysis

Since 2011 MCH has been developing a tool to record agency costs based on the departmental Benchmarking Administration and Support Services model. In the main this has not been a comparative exercise but a mechanism to record time series data, with some examination of costs between agencies. It enables MCH to track back office and front line costs, as these are difficult, in some cases, to determine from Annual Reports.

While the data collected by the tool to date has been helpful in understanding agency financial models there is some further fine-tuning required to maximise the potential for the tool. MCH will continue working with agencies to improve the process and to build an on-going record of agency costs, with the aim of clearly identifying where savings can be made, and where best practice is to be found.

Co-location and shared services for the cultural agencies

The cultural sector has been exploring options for co-location and opportunities for shared services as part of a drive for enhanced collaboration. The media agencies (NZ Film Commission, NZ On Air and the Broadcasting Standards Authority) are already co-located in Wellington and share back office services.

A study was recently conducted on the feasibility of co-locating in Wellington MCH, Creative New Zealand, and some functions of the NZ Historic Places Trust and Te Papa. There would be costs in implementing this. Moreover, the loss of Creative New Zealand's premises in the July 2013 earthquake, and their need to find new premises urgently, has pushed out a possible timeframe for this initiative a further three years. However, it does align with the 2017 time horizon of the Property Management Centre of Excellence led Tranche 2 of the Wellington Accommodation Project, which includes MCH and cultural sector agencies within its ambit.

In the meantime, MCH and cultural agencies will continue to explore opportunities for implementing shared systems and services, building on a number of (mainly bi-lateral) arrangements currently in place. An independent report, commissioned by the Cultural Sector Chief Executives in June 2013, concluded that there were unlikely to be significant financial savings from implementing shared services, and that the key drivers would be improved individual agency resilience and a more joined-up cultural sector. Accordingly, over the coming 3-4 years a measured approach will be taken that seeks to standardise strategy and systems and adopt common business processes and policies to the maximum extent possible.

Managing within baselines

As across most of government, agencies funded through Vote Arts, Culture and Heritage have not received any increases in baseline Crown funding since at least 2009, and even earlier for many organisations. While many of the agencies have other sources of revenue, these are also under pressure from the financial crisis, which affects donations and ticket fees, since they are non-essential spending when money is tight. All of these agencies have continued to deliver their outputs, while

making on average 2% efficiency savings for the past 5 years, compared to rising prices. This has a cumulative effect on savings which need to be found in real terms of around 13%.

MCH itself has absorbed efficiency savings of 3% from 2012/13 onwards, on top of the 13% above while continuing to deliver its outputs. Across the Vote, it is expected that savings of around \$6 million will be delivered in 2013/14 due to the underspend on the Targeted Assistance project as part of the Going Digital process, and a return of unspent funds from the Broadcasting Standards Authority. Both of these have been achieved through efficiencies made by the agencies involved, and represent the efforts which have been made in order to manage the costs across the Votes.

We propose that this is considered against the Budget initiatives proposed in Annex 3.

While Vote Sport and Recreation has received increases in funding for High Performance Sport, this was to directly invest in High Performance Sport, and has resulted in increased outcomes for this sector, including the performance at the London Olympics 2012.

MCH will continue to make efficiency savings through its activities in order to work towards the savings outlined in Annex 2. These may include an innovative approach to property costs, reducing the required level of space for MCH by introducing new ways of working more flexibly, and working in partnership with other government agencies and the private sector to increase the impact from its stable level of funding.

Augmenting public funding

The government funding stimulates activities and inspires both other investment and philanthropic giving in the cultural sector. MCH is working on initiatives to drive up philanthropic giving, reviews of the screen sector and orchestra sectors, instigating the switch to digital television to free up the spectrum for higher value uses, and investing in seed funding for cultural initiatives which in turn provide economic benefits to New Zealand.

MCH has been using its leadership role to gain the agreement of cultural sector agencies to take a more proactive approach to sourcing third party revenue through partnerships, sponsorships and other commercial arrangements. The example of the NZSO recording the score for the second instalment of The Hobbit is illustrative of the opportunities that MCH will look to encourage across the sector.

MCH is investigating cultural philanthropy schemes which will encourage philanthropic giving to the cultural sector.

2.5 Ministry priorities

This section outlines our activities and how they link with the priorities we have identified across the sector. Where they have been directly outlined in the Government priorities section above they have been listed, but not repeated here.

Digitisation and online publishing

Delivery of Policy Advice

MCH is developing innovative ways of delivering policy advice and other services to Ministers, and providing information where possible in digital form over the next four years. To date this has included the development of a digital report for the Minister of Broadcasting which enables review of this more easily in electronic form.

Implementation of the Publishing Review

This review has been undertaken to develop an approach to publishing that balances the Ministry's obligations to short and long-form publishing, in both digital and print media. It also includes implementing sustainable approaches to managing the assets that Ministry has built up in Te Ara, NZHistory.net, other websites, and the print publications currently under way.

We are seeking to implement a future-oriented approach which can be resourced from within existing baselines. If there is insufficient resource available in future years there are risks that the public's expectations of the government's role in quality publications (e.g. in social and military history, and Crown/Māori issues such as histories of Treaty settlements) will not be met. In addition, there will be increasingly large gaps as other potential history sources such as academia and commercial publishers have narrower approaches to coverage and audiences.

As New Zealanders and other users of authoritative histories and stories about New Zealand increasingly access this information on line, as demonstrated by the increasing visitors to the Ministry's websites, these will continue to be a key platform for engaging with New Zealanders and connecting them with their stories.

Television New Zealand Archives

See discussion in section 2.2.

Growing non-government revenue and maximising constrained resources

Co-location and shared services for the cultural agencies

See discussion in section in section 2.4.

Cultural philanthropy

See discussion in section 2.4.

Better protection and promotion of Māori culture and heritage – and Crown/iwi relationship

Protection of taonga tūturu

The non-departmental allocation for taonga tūturu is for the provision of conservation treatment for recently found taonga Māori. Under the provisions of the Protected Objects Act 1975 the Crown has prima facie ownership of taonga tūturu found since 2006, until such time as the Māori Land Court assigns the ownership of these taonga to the customary owners.

Those items not claimed and therefore not assigned to customary ownership remain prima facie Crown property. During the period in which the Crown has prima facie ownership of these taonga it is responsible for ensuring that the physical integrity of these objects is maintained. Taonga tūturu made from wood, fibres and other organic materials, found in waterlogged conditions, upon recovery may require professional conservation treatment to ensure that their physical integrity is maintained. MCH ensures this treatment is provided so that the physical condition of these objects is stabilised enabling them to be accessible for future generations.

There has been an increased demand for conservation of newly found taonga tūturu while ownership decisions are made. MCH has reprioritised savings made on exchange rate gains on payments to the Commonwealth War Graves Commission each year, so is managing these pressures within existing baselines.

Treaty of Waitangi Protocols

MCH has currently completed 27 Taonga Tūturu Protocols with Iwi as part of their Treaty Settlement agreements and additional protocols can be anticipated before the government's Treaty Settlement process is completed. There are currently a further 56 Treaty Settlements being negotiated.

MCH will need to assess the resources required to negotiate upcoming protocols and service existing protocols, the extent to which MCH should be proactive in servicing the protocols and the level of the Crown's financial commitment implied in the provisions of the protocols. The level of work associated with the negotiation and implementation of protocols is currently being absorbed by the Ministry. The level of resourcing required is forecast to increase on the basis that MCH and Iwi are now

transitioning into a post-settlement phase, where each group with a protocol will have an expectation of direct engagement with MCH on specific issues and work plans.

MCH is actively engaged with the Office for Treaty Settlements, other government departments, and with iwi to ensure a meaningful 'carry through' on government cultural commitments.

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Contribution of culture to meeting wider social and economic objectives

Cultural Diplomacy International Programme

Over the past four years, MCH has managed the successful delivery of the Rugby World Cup associated cultural programme and the Frankfurt Book Fair. These have been very successful projects which required upfront investment from this multi-year appropriation (MYA).

We are in the process of allocating the remaining funds in the five-year MYA for the period to 30 June 2015. Funding is likely to support New Zealand activities around upcoming major offshore events such as the second Hobbit premiere later this year in Los Angeles, the Commonwealth Games/Edinburgh festival and WW1 commemorations activity in Scotland in 2014 and New Zealand's Guest of Honour presence at the Taiwan International Book Fair in February 2015.

We seek to have a new MYA (of \$9.7m) established from 1 July 2015 rather than the funding reverting to an annual appropriation. Our experience has shown that the flexibility afforded by an MYA has enabled the CDIP agencies to respond to major cultural diplomacy opportunities and cluster our investments around these.

Music Learning Initiatives

An MCH partnership with the Auckland Philharmonia Orchestra, Sistema Aotearoa uses orchestral music-making as a model for social development. It is based on El Sistema, one of the world's most successful music and social development programmes.

An evaluation of the Sistema Aotearoa programme already underway in Otara, Auckland was undertaken in 2012. This found that the programme was producing very positive results, and that these results were remarkable given the short term of operation (only 2 years at this stage). There is evidence that the programme is increasing children's motivation, as well as their ability to focus and sustain concentration. These traits are also flowing through to other contexts such as school, at home, and in sporting endeavours.

The programme has been limited to the Otara district with over 100 children each year being part of the programme. Given the success of the programme and indicative positive outcomes resulting, MCH is looking to support the continuation of the programme in Otara and the roll out of the programme across the country, focussing on children in economically disadvantaged areas.

Government funding to supplement additional funding from philanthropic and other sources, will focus on supporting the professional fees for the national leaders, local directors and tutors. Communities and businesses will be expected to support the programme at a local level and meet costs such as transport, venue hire and catering. Sponsorship and philanthropy at a national level will also continue to be sought.

Sistema Aotearoa has the potential, in the longer term, to contribute to the following four Better Public Service result areas:

- Reducing long term welfare dependency;
- Supporting vulnerable children;
- Boosting skills and employment; and
- Reducing crime.

[7]

Olympic Games Campaign 2016

Government may wish to provide additional funding support to the New Zealand Rio Olympic Games campaign in 2016. Although costs are yet to be finalised, a proportion of those costs will be met by reprioritisation within baselines. Sport NZ's current high performance strategy has a 14 medal target for Rio including 6 gold medals. A high correlation exists (92%) between increased government

funding and improved international sport outcomes. In order to have the best chance of meeting or exceeding that target, many costs will increase including:

- direct investment in national sport organisations for targeted medal sports;
- further investment in coaching, ensuring New Zealand athletes get coaching they need; and
- maximising international competition and qualification opportunities.

[7]

Improving access for less well served communities

World War One Centenary commemorations

MCH is leading Government's WW100 programme of commemorations for the centenary of the First World War (between 2014 and 2018). This is led through a programme office and a set of working relationships with the relevant agencies. The programme will connect New Zealanders of Māori, Pacific and European cultural backgrounds to unique chapters of history for each that together unite the nation. To ensure MCH delivers fully on expectations we are continuing to strengthen the staffing of the WW100 Commemorations Office to ensure capability in project and programme management is developed and sustained over a period of four years.

The development of National War Memorial precinct (Pukeahu) in Wellington is a key focus of the World War One centenary commemorations. Construction at the precinct continues to make good progress and work remains on schedule for completion in time for centennial commemoration of the Gallipoli landing in April 2015.

[7]

As part of the preparation for the World War One centenary commemorations, it has been identified that earthquake strengthening work is required at the Hall of Memories and Carillon as part of the existing National War Memorial in Wellington.

A new capital appropriation of \$2.5 million is estimated to be required for strengthening the Hall of Memories and to complete other necessary capital works to ensure that it is fully operational for the First World War centenary commemorations. It is recommended that an additional \$2.5 million be allocated to Vote Arts, Culture and Heritage for this purpose. Cabinet approval is being sought in January 2014.

Cabinet has asked that advice on scalable options for the commemoration of key dates within the WW100 programme be made available in time to inform Budget 2014 decisions. The First World War Centenary Programme Office will be managing a co-ordinated response to this request, drawing together the work of the several departments involved, including the Ministry for Culture and Heritage.

Leadership of civics education programme

The key elements of this programme of work will be co-ordination, information-sharing, and leadership where appropriate. The intention here is to build on work being done to for the centenary of the First World War, and other anniversaries coming up in:

- 2015 for the Treaty of Waitangi (175 years), Wellington as the capital (150 years), and the Waitangi Tribunal (40 years).
- 2018 for women's suffrage (125 years) and the adoption of MMP (25 years).

While we expect that some work will be done across government and local government, without co-ordination it will be difficult to make the most of the value of these efforts. MCH is well-placed to take the lead, in part because we have print and digital resources available through Te Ara, NZHistory, and the Dictionary of New Zealand Biography.

We can also use our Perspectives website and other means to disseminate information in an engaging way e.g. working with Te Papa on content for its Treaty 2 U website, or with the National Library in its new Constitution Room. We expect that resourcing of up to \$100,000 per annum would be needed for effective work in this area, which will be prioritised from within MCH's existing baselines.

Commemorations

MCH administers the Government's commemorations policy. In addition to its involvement in the commemoration of the centenary of the First World War, the Ministry will facilitate Government involvement in the commemoration of other important anniversaries, including:

- 200th anniversary in 2014 of the establishment of New Zealand's first Christian mission station and the preaching of the first Christian sermon by Rev. Samuel Marsden
- 175th anniversary in 2015 of the signing of the Treaty of Waitangi
- 800th anniversary in 2015 of Magna Carta, an important part of New Zealand's constitution.

These commemorations will connect to some broader work within the Ministry on increasing New Zealanders' understanding of the political, social and cultural frameworks of their nation.

MCH will also begin planning for the commemoration of the 250th anniversary in 2019 of the arrival of Captain James Cook's ship *Endeavour* in New Zealand.

[7]

Refining business as usual

Policy Advice and other services to Ministers

MCH continues to look for innovative ways to provide free and frank advice to Ministers, and the main focus in this area will be identifying innovative ways to achieve government priorities, while managing within baselines as far as possible. MCH delivers services to three Ministers across two Votes across cultural issues, including arts, heritage, media and sport.

MCH has a portfolio investment mind-set in which we factor in a balance of short and long term investments and a spread of 'managed risks' so that we maximise the government's investment in public and private cultural outputs. We have developed relationships with BERL and Sapere to extend our economic analysis capability so that economic impacts more clearly feature in our work. Demonstration of culture and related value will be incorporated into our policy framework and cost-benefit analyses.

Monitoring of Funded Agencies – Agency Expectations Framework

MCH is developing a set of comprehensive, principle-based expectations frameworks to guide our work with Crown agencies and NGOs. For the first time the frameworks will set out in one place the relative roles and responsibilities of responsible Ministers, Crown entities and the funded NGOs, and MCH. The frameworks are being designed to:

1. Recognise recent changes to the Crown Entities; State Sector; and Public Finance Acts.
2. Provide a platform upon which we can tailor our interactions generally and monitoring practice specifically to the scope, scale and business of each agency.
3. Provide a practical and user-friendly shared resource that clearly sets out the respective roles and responsibilities of each party in the monitoring relationship.

While the frameworks will provide a useful platform for streamlining and improving agency reporting there will be significant work to do with each of the agencies to ensure that we have appropriately tailored monitoring and reporting regimes in place for each of the agencies.

This will support a portfolio approach to managing the investments across the Votes, and monitoring the government's interventions in the cultural sector. This will reflect a purchase interest in the entities which are monitored, improving on the ownership interest approach which currently prevails.

Funded Agencies

Creative New Zealand

Strategic direction and delivery

Creative New Zealand is not planning any significant change to its strategic direction over the next four years. Our four overarching outcomes, create, preserve, engage, excel and our strategy of providing funding, capability building and advocacy services remain unchanged. However, there are a number of things our stakeholders and customers would like us to do more of, or to do differently, so our strategic direction is a mix of existing activities which we will continue and new areas of focus.

We will continue to deliver funding to artists, organisations and communities through our key funding programmes, which have all been subject to major reviews since 2009. The funding programmes will continue to be complemented by our capability building programme and major initiatives, including those which showcase New Zealand art overseas and build the sector's skills in fundraising.

The Arts Council has committed to a cycle of policy reviews to ensure that what we are doing addresses contemporary issues and priorities. We will implement the results of those reviews, including recent reviews of ngā toi Māori, Pacific arts and digital and media arts. We will also continue to consult and work with local and central government agencies and other funders when we have mutual interests, and coordinate efforts for best results.

We have two new areas of focus.

- Improving our internal operations – successfully transitioning to a unitary governance structure; simplifying and digitising our application processes; making our granting decisions more efficient while maintaining fairness, transparency and rigour; improving our reporting and enhancing the analysis and sharing of the information we collect. This work will directly contribute to the government's Better Public Services priorities.
- Advancing our influencing agenda – focusing on our national mandate in the arts, across all the regions, but with particular attention to the changing needs of Auckland and the Christchurch rebuild; and building an evidence-based toolkit for use in advocating for the public value of the arts.

Funding

We do not envisage seeking any additional Vote funding over the next four years. We are fortunate to benefit from recent increases in income from the New Zealand Lottery Grants Board.

Workforce

We do not anticipate any workforce issues associated with our strategy.

Broadcasting Standards Authority

Strategic direction

Vision

Fairness and freedom in broadcasting

Purpose

Our purpose is to oversee New Zealand's broadcasting standards regime so that it is fair to all New Zealanders, by balancing the broadcasters' right to freedom of expression with their obligation to avoid harm to individuals and society.

Strategic context

The government has said it will not implement the recommendations of the Law Commission report which sought wholesale changes to the broadcasting content regulation environment. It has encouraged the broadcasters – and implicitly others working in the industry – to work within current structures as effectively as possible. We will continue to do this. At the same time we are mindful we are operating under a very old (and dated) piece of legislation which could at some stage in the next four years, be either renovated or rebuilt.

Our overarching outcome is for New Zealanders to have increased confidence that the broadcasting standards regime fairly balances broadcasters' right to freedom of expression with their obligation to avoid harm.

The BSA contributes to this by:

- Reducing unjustified complaints
- Increasing broadcaster compliance

How we deliver

Activities

Our key activity is complaints determination. This does not occur in a vacuum. We provide two other critical services and activities to support and enhance broadcasting content regulation. All three parts interrelate, build on and strengthen the system as a whole.

Our three activities are, and will remain:

- Complaints determination
- Oversight and development of the broadcasting standards system (which includes for example, code reviews, broader research or clarity on standards, process issues between us and the broadcasters)
- Information and Communication (which includes for example, ensuring people know how to make a complaint, and making sure access is easy for all demographic groups)

What we do under each of these general activities will change on an annual basis and will involve responding to the broader environment. For example, this year, and next, we are concentrating on reviewing the codes so that we can work best under existing structures. Once the new codes are in place, we may want to consider with the broadcasters if there are other process improvements that can be made under existing structures (for example by introducing a mediation process for some complaints). If the Act is renovated or rebuilt, we would ensure policy makers had the benefit of our experience to inform their decisions.

How we determine whether we are having an impact

We measure our impact by looking for:

- A reduction in the number of complaints both upheld and not upheld, with a consequential decline in overall complaint numbers
- No proportionate increase in the number of BSA decisions overturned by the High Court
- Public awareness that individuals can make a formal complaint about television and radio content, increased to, and maintained at, over 90%

Sector and government priorities

We recognise these priorities and are familiar with them. Obviously the nature of our organisation (being a regulator – and a small one at that) as well as an Independent Crown Entity means that some of them are more relevant to our work than others. Contributions we will continue to make are:

- With our website as our key platform for provision of information about our work, we will continue to maximise the online environment.
- We will remain constantly mindful of maximising constrained resources – we already have shared arrangements with NZ On Air and will be alert for other collaborative opportunities. We will continue to monitor, analyse and report on costs and overall performance. We will continue to look for sensible reductions in costs.
- Some of our research indicates that some communities complain less than others. We will continue to monitor with this and where possible, take steps to ensure that all communities have access to our services.
- We are focused on our part in delivering better public services. We contribute in the way we meet/exceed expectations in planning with a broader societal outlook, measuring our impact, and reporting (as evidenced by our audits). We will also continue to respond to government functional leadership initiatives – for example through participation in All of Government contracts and technology.

Funding

We do not expect to require additional funding while our operation remains of the size and scale it currently is. We have some uncertainty in funding as a significant component is broadcaster levies. These have been rising so we monitor and manage our reserves (this year we are returning some reserves to Treasury). As the broadcasting industry environment is fluid, we cannot predict fluctuations. They may continue to rise, so we will manage that.

Antarctic Heritage Trust

Strategic Direction

AHT Strategic Direction: this is currently focused around ensuring the heritage under the Trust's care survives for future generations, educating and inspiring people with the legacy of Antarctic exploration, furthering the science and practice of cold climate heritage conservation and increasing our financial sustainability. The board is looking to develop a new strategic plan in 2014 and we anticipate it will cover the areas in line with the Minister's expectations.

Funding

AHT is not currently seeking additional Government funding. We will look to non-government sources for funding.

Workforce

We do not expect any major workforce issues to impact on our delivery.

New Zealand Film Commission

Strategic Direction

We plan to focus on building screen activities in New Zealand that are financially sustainable and internationally competitive. We consider that building a sound business platform is essential not only to assist the industry to grow but to continue to ensure that New Zealand stories are told and seen in New Zealand and overseas.

While a number of commercially and artistically successful films and other productions for the screen continue to be made in New Zealand, the reality is that the industry is hampered by lack of capital and scale. Despite the support that the NZFC and other funding agencies can provide, we are aware of a number of promising projects that are struggling to find funding and may not go into production for this reason.

For many working in the screen industry, work is intermittent and insufficient to support a full-time career. Industry professionals have to go where there is work. This is sometimes in film, but more often in television, and increasingly in digital media such as animation and games. These distinctions are becoming less relevant as technologies continue to converge and consumer preferences evolve, and government agencies therefore need to take a broader sector view in delivering their mandates.

As noted above, being able to attract more overseas capital for projects in New Zealand and ensure that public expenditure provides the best possible value for money are key objectives in helping to provide for a more sustainable screen industry in New Zealand.

Value for money requires ensuring that spending is cost-effective and targeted at those areas of highest need. In the area of professional development services, for example, targeting areas of highest need involves making a judgement about the areas in which there is a demand for skills in the industry that are currently in deficit. There has to be a reasonable expectation that those being trained will actually have the opportunity to employ those skills in New Zealand in due course. It also calls for agencies operating in similar areas to co-ordinate their activities effectively and look for ways to leverage their respective investments.

While a number of factors affect New Zealand's ability to attract overseas capital, not the least of which is the exchange rate, at the heart of things is our reputation for developing talented filmmakers. Having world class post-production facilities and internationally recognisable producers, directors and writers are essential draw-cards, but also important are the actors and technicians who comprise most screen industry personnel.

Strategic Delivery

To these ends, the NZFC proposes to build on its existing policies and programmes for supporting New Zealand talent by:

- Placing more emphasis on building talent in areas where internationally recognisable skills are in relatively short supply in New Zealand
- Working with talented individuals more intensively and over longer periods, especially in the early phases of their careers and up to the point where they can be self-sufficient
- Fostering international networks and connections for talented New Zealand filmmakers
- Establishing a new relationship with screen sector guilds and industry organisations to support professional development within the industry, with a view to improving value for money
- Being more rigorous about the need for publicly-funded productions to reach their target audiences.

In addition, we plan to consider measures to help build scale at a company/enterprise level within the industry and to continue working collaboratively with sister agencies such as NZ On Air, Te Mangai Paho and Film NZ as well as government departments such as MCH and MBIE, with a view to making the best possible use of the Government's investment of public funds across the screen sector

In August 2013 we announced a major new initiative titled the Business Development Scheme. The purpose of the scheme is to enhance the development of local screen businesses by supporting existing businesses to grow and by encouraging new screen business partnerships and alliances. We have made an initial allocation of \$3M over the next three years to this new scheme.

Another new initiative that we are currently finalising is the instalment of a VOD player on our website. This VOD player will address most of the five sector priorities identified by MCH, in particular, digitisation and online publishing, growing non-government revenue, maximising constrained resources and improving access for less well served communities.

Funding

Because of the need for continuing fiscal restraint, the pool of government funding available for screen sector activities in New Zealand is unlikely to increase in the foreseeable future. If the sector is to grow, therefore, it will be necessary to attract more overseas capital for projects in New Zealand and ensure that public expenditure provides the best possible value for money.

In other words we don't have any current intentions to seek additional Government funding over the next four years.

Workforce

We don't believe we will have any major staffing concerns over the next four years, such that delivery of our strategic direction will be impacted. Whilst some of the senior roles at the NZFC are specialised, we have the option of advertising internationally if the local recruitment process fails.

Royal New Zealand Ballet

Strategic direction and delivery

With creativity and people at the heart of our business, the RNZB continually strives to become a better organisation where opportunities are created and individuals can fulfil their potential.

This is achieved through developing partnerships; such partnerships will assist in funding our activity, engage the wider community and help us to leave a long-lasting impression on a diverse audience. It is only through building dynamic partnerships that we will be able to realise our three goals of Artistic Growth, Brand Growth and Audience Growth.

Through our extensive touring and education programmes we will continue to lead the way in providing access to the arts for less well served communities, including Christchurch. The RNZB contributes not only to the cultural life of each centre we visit but to their economic well-being. In Auckland we are making a commitment to the city's vision of becoming 'The World's Most Liveable City' and in Wellington (where we are based), we make a significant on-going economic contribution. The RNZB directly supports growth of NZ businesses including the use of NZ suppliers, expansion of NZ business profiling through creation of sponsorship opportunities and participation in initiatives promoting business efficiency within the sector e.g. Christchurch arts hub and joint ticketing amongst others.

Artistic Growth (Create, Excel)

Through the constant pursuit of creativity and innovation we will achieve new artistic heights, recognised nationally and internationally.

We will deliver programmes that engage, challenge and inspire dancers and audiences; building a higher performing creative workforce and identifying and developing New Zealand talent. We will continue to be outstanding international ambassadors for New Zealand.

Brand Growth (Preserve and Engage)

Be an inspiring New Zealand brand through the delivery of uncompromising quality product that is accessible yet sophisticated.

We will develop our relationships with a wide range of organisations and funding bodies that share our passion for creativity and have a desire to invest in the cultural heart of New Zealand life; non-cash but beneficial commercial relationships will continue to be sought and nurtured. We will gain greater exposure through the networks afforded to us through these partnerships. A stronger identity in Auckland remains crucial; we aim to have a second home established by 2017.

Financial and strategic support will be requested from local government, specifically Auckland and Wellington.

Improving access for less well served communities through our education programme will remain a priority giving as many as possible the opportunity of benefiting from what culture has to offer – intellectual and emotional engagement, curiosity and self-confidence to explore. We will work nationwide but with a focus on delivery in Christchurch.

Audience Growth (Engage)

By growing our audience numbers we will build our financial capacity to invest in our exciting new initiatives.

A larger more diverse audience will be achieved through improving our data in order to tailor communications more specifically to our large number of constituents. A focus on increasing subscriber numbers will also be undertaken, as well as utilising new/different channels to engage with

new audiences (such as those of our corporate cash and non-cash partners). Improved venue relationships and ticketing services will have the double benefit of saving costs (ticketing and venue charges) and providing our patrons with a better service.

Special focus will be given to growing corporate sponsorship and strengthening the relationship with individual supporters, with substantial growth expected from this source.

Funding

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As a directly funded organisation the RNZB embraces the Government's Better Public Service programme, and will continue to work to demonstrate it is an organisation producing excellent value for public money. Despite its size and budget the RNZB aspires to lead arts business practice in New Zealand, and has budgeted to raise \$7 million through its activities, a return of \$1.60 on every dollar invested by the Crown in 2014.

New Zealand Symphony Orchestra

Strategic direction and delivery

As New Zealand's national orchestra the NZSO has a commitment to excellence in all that it does. Its core values are creative excellence, excellent engagement and excellent relationships. These values underpin its vision 'To provide world class musical experiences that inspire all New Zealanders' which is effected through its mission 'To deepen and expand musical connections and engagement with our communities.' The Orchestra aspires to this vision and mission through the delivery of high quality orchestral services as set out in the functions and objectives in its legislation. This pursuit of excellence is the critical driver of the NZSO's strategy.

Over the four year period 2014 to 2017 inclusive the NZSO faces a number of challenges in maintaining this strategy as it implements the recommendations of the Orchestra Sector Review (OSR) undertaken by the Ministry for Culture and Heritage.

Recommendations of the OSR relating to the NZSO envisage a stronger leadership role in the sector including building performance quality, explicitly remove any requirement to tour to centres with populations of less than 50,000 and stipulate a focus on the training and development of young musicians. The NZSO is implementing these recommendations by adjusting its activities in a transitional year in 2014 prior to the final implementation of new touring patterns from 2015, by working as a member of a new industry association on collaborative planning and resource sharing for the provision of orchestral services on a national basis, and refocusing its training and development programmes for young musicians.

The critical challenge to the effective delivery of the NZSO's strategy of excellence is in the financial recommendations of the OSR which require the Orchestra to reduce the proportion of its total revenue met by central government funding. The NZSO's baseline has been fixed at \$13.45 million since June 2008. This will be maintained until the end of 2014. At the end of this period the NZSO will receive no more than 75 percent of its revenue from government (to a maximum of \$13.45 million), with a view to reducing this proportion to 70 percent of revenue over the following three years.

The NZSO will implement a planned approach to the fulfilment of its legislative obligations, meeting the requirements of the OSR and maintaining and building excellence and international standards of performance over the four year period. An annual equity target has been set at a minimum of \$1.5 million, maintained by balanced budgets in each of the years covered by the Four Year Plan.

Funding

Balanced budgets require both additional income and savings in each of the four years. Additional income will be generated from non-government sources including corporate and private philanthropy, fee generating services such as recording, film scoring and the provision of accompaniment services and a continued focus on improving box office revenues. This strategy of increased income and its diversification from non-government sources commenced in 2013.

The required savings will be generated from a review of overhead costs and structures and the implementation of a revised business model which improves the efficiency and productivity of the substantial investment in orchestral personnel. The revised business model adopted will be designed to maintain performance excellence and enable the Orchestra to continue to flourish and grow. It will necessitate some adjustments to the engagement and management of personnel and, as a consequence, there are some associated risks to achieving the savings targets.

The Orchestra is also working on options for its future permanent accommodation which have the potential to provide new sources of income and opportunities for new digital services in the dissemination of its music to wider audiences. Decisions about this accommodation and their implementation will occur during the term of this Four Year Plan.

In the longer term it is unlikely that a full time national touring symphony orchestra as mandated by current legislation can be indefinitely sustained without additional government funding. The cost

structures of professional symphony orchestras have inbuilt productivity inflexibility in the core business of live music performance. This is an industry phenomenon which is well documented and analysed in the international literature. This leads to structural deficits over the long run as costs rise and the capacity to generate the additional revenue and savings required to fund them becomes fully utilised.

The NZSO has been efficient in the utilisation of its funding and has responded effectively to the imperative to manage its public resources responsibly in light of the Government's current fiscal position. By the end of this four year plan period, the NZSO will have operated on a fixed level of government funding for a decade. In real terms this will equate to a reduction in Vote funding of \$3.45 million per annum (26%) which is a cumulative reduction in spending power over the 10 years of \$19.45 million (1.45 years of nominal Vote funding) using information sourced from The Treasury, Budget 2013, Fiscal Strategy Report 2013.

New Zealand On Air

Strategic direction and delivery

The NZ On Air mission is to champion local content that engages, stimulates, and satisfies intended audiences.

We work on delivering:

- innovation: new ideas, creativity and quality production standards;
- diversity: people, projects and platforms; and
- skilful investment: cost effective content reaching intended audiences

Strategic Objectives

Our strategic objectives are to invest in diverse relevant local content, maximise available funding through skilful investment and collaboration opportunities, explore and maximise digital opportunities, and be thought leaders in our fields of expertise.

Strategies

In order to achieve this we will maintain a balance of mainstream and special interest content, ensure a sound business case supports each funding decision, seek more mileage for music and foster greater collaboration in community radio. Our approach also involves us testing different and diverse digital initiatives, being a recognised and respected source of information and expertise and better understanding our intended audiences' needs.

Outcomes – Impacts & Results

We will know we are successful when our investment reflects changing audience behaviour, is made up of both well-balanced mainstream and special interest content, and our intended audiences are engaged, stimulated and satisfied with that content.

The primary external factors expected to impact throughout 2014 to 2018 are a rapidly changing digital environment, economic pressures on the screen industry, an increasing flood of global content, fragmented audiences, and funding constraints. Day-to-day operations will be consistently conducted with a clear focus and within the spirit of our main drivers, which are to have a clear focus (on outcomes for content), be informed contributors (knowledgeable in our fields), seek continual improvement (open to new ideas), be responsible stewards (careful with public funds), have a positive spirit (love what we do), and operate with fair, transparent and simple processes.

NZ On Air's strategic direction is focused on maximising the benefit from limited resources within a volatile environment. As such, the strategies used will be reviewed and determined annually. They will be adapted as the environment changes or as the Board develops a new strategic direction.

Funding

Mindful of the current fiscal situation we expect to be operating within current baselines. However, there is increasing pressure from within the industry for additional funding to match the increasing costs being faced. Opportunities for new initiatives are highly constrained.

Te Papa

Strategic direction

Over the next four years Te Papa will increase access to the Museum's collections, knowledge and services, expanding the focus from the Wellington site to a genuinely national and international presence, physically and digitally. Communities that do not currently have good access to Te Papa's exhibitions, knowledge and educational services (for example, South Auckland, small communities and youth) will be a priority. We will provide advice and support to Christchurch as it rebuilds as well as providing a waharoa (gateway) to showcase New Zealand's natural and cultural heritage overseas, aligned with the New Zealand Government's strategic priorities in China, India and the Asia-Pacific.

Alongside increasing access, Te Papa needs to ensure that its collections are protected for future generations and the Board is leading an extensive programme to mitigate risks to the collections. Substantial work has been carried out over the last year to secure buildings and collections against a seismic event and in the medium term parts of the collections will be moved to a new site.

Wherever possible, Te Papa's activities will be funded through partnerships with sponsors and revenue generating activities, and will be delivered in collaboration with other museums, galleries and government agencies to create greater impact and reduce duplication of effort. Creating and maintaining new streams of revenue, whether from commercial, sponsorship or private funding will be a priority.

Strategic delivery

As New Zealand's national museum, Te Papa cares for thousands of taonga (treasures) that tell the stories of New Zealand's cultural and natural heritage. Organisations and individuals can access and utilise Te Papa's collections in a number of ways. Exhibitions, whether on display at Te Papa, at a regional museum or gallery around New Zealand, or touring internationally, are the main way that we share our collections with members of the public.

Te Papa aims to meet different audience needs and learning styles by providing a variety of differentiated learning experiences. Te Papa works in partnership with iwi, communities, and organisations to create exhibitions, events, education, and public programming. This ensures that Te Papa provides meaningful experiences for diverse audiences – including youth and non-traditional audiences who are often under-represented in museum audiences. As part of Te Papa's commitment to working actively and in partnership with iwi and communities, and acknowledging their right to determine how their taonga are cared for and shared with the nation (Mana Taonga), Te Papa will be actively working with iwi and assisting them in the cultural redress provisions of the Treaty of Waitangi Settlements.

National and international partnerships and co-management agreements will maximise the sharing of cultural capital and expertise, make collections and knowledge more widely available, and contribute to government projects and cultural diplomacy.

Specific projects planned for this period include:

- Developing and building the National Centre for Collections, Exhibitions and Learning in Manukau, South Auckland to increase storage, access and learning.
- Leading First World War centenary commemoration projects and delivering the four year Conflict programme, including the Gallipoli Trench Experience
- Te Papa's current collecting for the nation will be expanded to include contemporary culture, science and technology, intangible cultural heritage, archaeology and anthropology.
- Expanding the exhibition space dedicated to art at Te Papa and developing new projects under the 'New Directions in Science' programme.

Workforce

In April 2013 Te Papa implemented a new organisational structure giving greater alignment with its Vision, strategic outcomes, statutory role, and the needs and expectations of stakeholders and the way staff are organised to deliver these. Te Papa's new structure signalled the commencement of an extended process of change and capability building to develop a learning organisation, embed Mana Taonga, and enhance Te Papa's already successful museological practice.

Achievement of these strategic objectives will require a shift in the way in which we deliver services and monitor and measure our performance. Key areas of focus will include:

- Lifting organisational capability, particularly in the areas of managerial capability, organisational learning, Mana Taonga, stakeholder/relationship management, research and curatorial capability.
- A new organisational performance measurement framework will be developed and implemented.
- Increasing operational effectiveness and efficiency, with a subsequent flow on effect to increased productivity in many areas of Te Papa's operations will also be critical.

New Zealand Historic Places Trust

Strategic direction and delivery

In developing the strategic priorities for the next 4 years, NZHPT has assumed that it will be operating under the legislative framework outlined in the Heritage New Zealand Pouhere Taonga Bill expected to be before the House within the next 12 months. The most significant challenge NZHPT faces is how to retain and celebrate heritage in an environment of fiscal constraint, legislative reviews and development pressures, without jeopardising public safety and unduly constraining property rights or economic investment. Within this context, the following strategic priorities for NZHPT have been identified:

- *Policy Development and consultation:* Develop and consult on the range of policies required by the Heritage New Zealand Pouhere Taonga Bill. It is assumed that this work will be undertaken within 18 months of the passing of the legislation. The impact on the future operating policies under which NZHPT will then be operating means that the strategic directions towards the second half of this 4-year plan become more uncertain.
- *Improve the Regulatory Environment for Heritage:* The perception of risk and value in the older commercial building stock consequent upon the Canterbury earthquakes have given rise to significant new policy risks, not just to particular heritage buildings, but to the economic viability of large areas of heritage character. This is driven by market concerns about safety, the increased cost and lower availability of insurance, as well as the public policy response to these concerns expressed in District Plans, Council's Earthquake Prone Buildings Policies and proposed amendments to the Buildings Act. Local Government responses vary according to location with different pressures driving change in different areas (perceived risk in Christchurch and Wellington, economic resilience in many provincial centres, and ongoing development pressure in the Auckland Region). It remains critical that the NZHPT engages with and influences these debates within both central and local government to ensure that these concerns do not lead to unnecessary loss of heritage values. In pursuing this priority NZHPT will focus on nationally significant heritage but continue its respected advisor role on heritage of lower significance to assist owners and councils.
- *Build Support for Heritage through Engagement and Appreciation:* Heritage has a higher probability of survival and appreciation when these places and their stories are made more accessible to the public. Our most significant heritage places are also increasingly being recognised for the economic value they can contribute through cultural tourism. NZHPT will therefore continue to develop new activities to engage both directly with the public and indirectly, through partnerships with local heritage organisations, and with central and local government and private sector tourism operators. While it is still important to encourage visitors to our properties, we will also continue to embrace digital technology to increase accessibility to these stories.
- *Re-brand as Heritage New Zealand Pouhere Taonga:* NZHPT will continue to work towards positioning the organisation as a respected adviser to local and central government, iwi, property owners and focussing the work of the organisation on national priorities. We will make full use of the public consultative processes for the policy reviews of our functions contemplated in the new legislation to reinforce our status, role and priorities.
- *Maintain financial sustainability:* NZHPT has a network of properties and a solid membership base from which additional revenue is vital to deliver our outcomes. NZHPT will continue to aggressively pursue self-generated revenue opportunities through these sources.

In order to deliver these strategic priorities, NZHPT will continue to work closely with Local and Central government, particularly focusing on earthquake prone building policies and input to second generation plans following the RMA reforms. Strong relationships with iwi and regional heritage organisations will continue to be fostered to assist them in pursuing their heritage conservation objectives. NZHPT will increase public engagement with Heritage by continuing to deliver events, seminars and high-quality visitor experience at our properties, as well as increasing accessibility to these stories through digital methods.

Over the past few years, NZPHT has addressed a backlog of deferred maintenance at our properties. Our attention now is on our collection items. NZHPT has over 80,000 items within its collection, much of which is currently stored in less than satisfactory conditions and is likely to be deteriorating. We are currently exploring options to partner with other institutions such as Te Papa, Waitangi and Hocken to enable a cost-effective solution to this issue. Some additional funding may be required to address this issue if these options are not progressed.

Workforce

During the next two years, NZHPT will need to continue to prioritise resources to the Canterbury region, particularly to process archaeology authorities and provide structural engineering advice. We will also need to reprioritise resources from other outcome areas to enable the policy development and consultation process outlined in the Heritage New Zealand Pouhere Taonga Bill to be delivered. Secondments from other organisations may be required to enable us to boost our current policy capability during this period. The most significant area of risk is ensuring we have sufficient capability to provide quality Māori Value Assessments to all areas of our work.

New Zealand Music Commission

Strategic direction

The Music Commission seeks to achieve these outcomes:

Engage – public engagement with music from NZ is enhanced;
Expertise – the expertise of music industry professionals is increased; and
Export – offshore market initiatives lead to a thriving music industry.

Strategic delivery

The Music Commission will deliver against these outcomes through focussing on:

- Providing excellent information and tools to help music businesses up-skill and thrive in a rapidly changing, digitally driven, environment.
- Increasing the number, and improving the effectiveness, of our New Zealand music business development events and facilitating programmes for the vocational development of New Zealand music industry professionals, both current and future, particularly via an internship programme, supporting the Music Managers Forum NZ and Independent Music NZ.
- Improving collective impacts via closer interagency collaboration (in particular NZ On Air, and Creative New Zealand).
- Partnering with Independent Music New Zealand to support nominated local independent label owners to participate in the 'Release' business development programme with support from the Australian government.
- Continuing to contribute to the collection and improvement of data and research on the economic and socio-cultural benefits of New Zealand music.
- Actively participating in international trade programmes to create new opportunities for NZ artists overseas.
- Strengthening cultural diplomacy links, particularly with regard to the WW100 commemorations.
- Managing a contract with the Ministry of Education to deliver Musicians Mentoring in Schools Programme and Bands Mentoring in Schools Programme.

Funding

The Music Commission is able to deliver its programme over the next four years within current Vote funding levels, provided it can continue, and increase, leveraging off mutually beneficial partnerships (and that inflation remains at around current levels). Most of the Music Commission's activities are scale-able, however some may have to be dis-continued if resources fall below a threshold which would make them ineffective and inefficient.

Workforce

The Music Commission is a small organisation (7.6 FTEs) with little scope for staff progression through management and salary bands. It often relies on the goodwill of staff who subscribe to the tenet that New Zealand music enriches the lives of New Zealanders, and strengthens our sense of ourselves and our place in the world; however this carries a risk that succession may not be seamless when key staff leave the organisation.

Te Matatini

Strategic direction

As the national organisation for Kapa Haka, Te Matatini Society Incorporated is committed to fostering, growing and protecting this unique art form so the very best of kapa haka is showcased regionally, nationally and internationally. Its most premier event, the Te Matatini National Kapa Haka biennial Festival provides the stage in which the very best teams compete to be Toa Whakaihūwaka – the ultimate champion. The next festival will be held from 4 - 8 March 2015 and will be hosted by the Waitaha rohe at Hagley Park (North) in Christchurch. In 2017 the festival will move to Hawkes Bay and be hosted by Ngati Kahungunu.

Strategic delivery

While a key focus is on competitive events, Te Matatini will continue to leverage any significant opportunity for greater exposure and promotion of the art form in New Zealand and overseas. Particular emphasis will be given to:

- strengthening our relationships with Government agencies and strategic partners to achieve mutual outcomes;
- Growing and enhancing the portfolio of sponsors and investors (public, private or philanthropic) who share our interest in developing and protecting Māori performing arts in the pursuit of excellence;
- Strengthening the corporate brand to differentiate against the Matatini National Kapa Haka Festival;
- Continuous review of the standards of excellence by which kapa haka is judged; and;
- Protecting and preserving the intellectual property associated with Kapa Haka. This will include ensuring copyright, trademark, patent and content issues are addressed and implement new measures to safeguard the body of knowledge that is Kapa Haka.

The growing popularity of kapa haka - be it competitive, social, within communities, schools, government organisations and businesses – demonstrates growth in participation and spectator and broadcasting (television, radio and live-stream) audiences. Te Matatini will use a number of platforms to capture this information as part of the key strategic priorities of growth and promotion. These platforms include digital and web based technology including application development where applicable, targeted communication and marketing activities and focused research and development projects.

Funding

Across all government funded organisations financial sustainability and efficiency is required. Te Matatini will play its part on greater efficiency and financial future proofing by continuously reviewing and where appropriate reducing administration costs through better quality systems and reporting, strong regional infrastructures, and specific targeting of investments to generate kapa outcomes.

By achieving the strategic direction of Te Matatini we believe it will set in place the right processes to seek extra funds for the on-going development and promotion of the art-form over the next four years. Our focus of new funds in the proximity of \$500,000 pa will be on globalising kapa haka not just as an entertainment spectacle but one that is a natural support to business and trade missions from New Zealand and worldwide events (e.g. Rugby world cup, Commonwealth games, Edinburgh Tattoo, Cricket World Cup, America's Cup) If Te Matatini is unable to secure such funds our international objectives both resourcing and workforce will be reviewed to reflect what will be achievable.

Sport New Zealand

Strategic direction

The Sport NZ Group leads the countries sporting system working towards achieving the following strategic outcomes that are set out in the Strategic Plan 2012-15:

- More young people engaging in more sport and recreation;
- More adults engaging in more sport and recreation; and
- More winners on the world stage.

The priorities driving Sport NZ's work until the conclusion of the current strategic planning period in 2015 include:

- A world-class sport system - leading, enabling and investing to maintain New Zealand's world-class sport system, and in particular building the capability of partners in the sport and recreation sector.
- High performance sport – further developing the country's high performance system by implementing the new Strategic Plan, and investing in and developing a network of high performance sport infrastructure.
- Community sport – enabling the sector get more young people and adults involved in sport and recreation, and grow the number of volunteers who make sport happen, particularly coaches. Also, providing leadership for national sports organisations (NSOs) and territorial authorities (TAs) in the area of community facilities, by developing a national framework. Specific support and investment for the rebuild of the sport and recreation sector in Christchurch is an aspect of this work.
- Major events – building Sport NZ's major events capability, and supporting the successful hosting of the 2015 Cricket World Cup, the 2015 Junior FIFA World Cup and other events.
- Talent Development – implementing a national Talent Development Strategy to ensure there is a seamless pathway to the top for our most talented young athletes.
- Driving efficiency and effectiveness – working to ensure that both the sector and the Sport NZ Group, operate as efficiently and effectively as possible, and are sustainable into the future.

The Sport NZ Group is in the process of developing a new strategic plan for 2016-20. Work to-date confirms that the strategic priorities will be largely consistent with those described above.

Strategic delivery

The Sport NZ Group will continue to deliver against this direction with key partners in the sport sector. In particular through:

- Leadership –providing a clear direction, challenging the sector to keep lifting its performance, recognising and sharing best practice, celebrating success, bringing the sector together and providing evidence and advocacy to bring the sector together. It also involves maintaining an international presence on behalf of the sector to further both high performance and community sport based objectives.
- Investment approach – through targeted investment to organisations that are the most capable and ready to deliver on sport and recreation outcomes. This includes an integrated and robust innovation and research programme to drive increased performance of our elite athletes.
- Capability building – through supporting partner organisations to improve their business processes and their management and governance capability, so Sport NZ has greater confidence in their

investment and the achievement of the outcomes sought from partners. There is also an emphasis on delivery capability in both community sport and high performance partners through evaluating their programmes, identifying opportunities to impact their performance, supporting staff capability development and providing technical and subject matter expertise in the key enablers including coaching, facilities and events.

- Athlete Performance Support – through the provision of specialist services to our elite athletes including exercise physiology, biomechanics, strength and conditioning, nutrition, physiotherapy, massage, planning, athlete life and medical.
- Relationship management – Sport NZ has a dedicated team of Relationship Managers who operate across their investment partners on behalf of both Sport NZ and our subsidiary High Performance Sport New Zealand (HPSNZ).
- Policy Advice – through the provision of high quality advice to the Minister and to other relevant government organisations on issues, challenges and opportunities in the sector, with a particular focus in 2013-14 on integrity issues.

Funding

Over the last few years our high performance system has had unprecedented success and made significant progress. However, due to a number of key challenges there remain pressures on reaching HPSNZ's medal targets (14 in Rio and 16 in 2020) within current investment levels.

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Workforce

Within the Sport NZ Group there are particular pressures on existing capacity and capability, particularly within Community Sport. Alongside the development of the 2016-2020 strategic plan future resource requirements will be determined with a shift in current resourcing to better meet strategic priorities now and in the future over the next 12 to 24 months. This shift will be achieved within current funding levels.

There are also on-going pressures on athlete performance support within HPSNZ. In particular, there is a growing demand for the provision of medical, physiotherapy and rehabilitation services to elite athletes requiring timely support for injury treatment and recovery. The increases in this area will be largely accommodated through the reprioritised funding within the Sport NZ Group mentioned above with additional resources applied if new funding is forthcoming.

Across the sport sector, there are on-going capacity and capability pressures due to:

- financial pressures within the sector, particularly within traditional club structures due to challenges maintaining membership and a diminishing pool of Gaming and Community Trust funding;
- difficulty in maintaining quality commercial sponsorships, both at a national and regional level;
- an increasing level of professionalism and expertise required across both community and high performance sports systems; and
- a heavy reliance on a large volunteer component.

External pressures in the job market present the sport and recreation sector with a significant challenge in maintaining the paid workforce at a level needed to meet the current and future needs of the sport and recreation sector. A recent study by BERL Economics predicts that the sector's paid

workforce will need to increase from approximately 62,000 paid employees to 72,000 paid employees in the period through to 2026 to meet the predicted increase in demand.

Even more challenging, however, is that over the same period an additional 55,000 (approx.) paid employees will be needed to replace the existing workforce as people retire, or exit to other sectors or countries.

Assuming a moderate rate of exits (ranging from 3% per annum for many categories in the technical workforce to 7.5% per annum for some finance and other support functions) this would result in additional requirements as depicted in the Figure below - based on a largely “business as usual” (BAU) scenario through to 2026. (BERL used a standard or neutral set of assumptions to generate its BAU picture of the New Zealand economy to 2026.)

The more than 10,000 increase noted above is depicted in the graph below as the green-shaded areas in each of the bars. It is clear that the additional workforce required for growth in the BAU scenario is overwhelmed by the additional numbers required for replacement purposes.

Sport and Recreation sector additional BAU paid workforce requirements



Workforce planning therefore needs measures to retain the existing workforce, as well as attract new people in an increasingly competitive national and global labour market, where the not-for-profit sector traditionally pays below other sectors. The BERL Report also recommends that we understand the role of the volunteer workforce and its relationship to the paid workforce.

A large portion of Sport NZ’s capability building activity is focused in this area, including the development of a sector-wide workforce planning framework, in partnership with Skills Active and New Zealand Recreation Association. This framework will set out the key deliverables and success criteria for maintaining a skilled and vibrant workforce (paid and volunteer) to meet the changing needs of the sport and recreation sector.

It will also clarify the roles that the various agencies and organisations involved in delivering sport and recreation nationally, regionally and/or locally can play in planning, developing, supporting and sustaining the paid and volunteer workforces.

Once this framework is in place, Sport NZ will work closely with key partners and others in the sector to develop tailored plans and implementation tactics. Sport NZ already has a number of programmes, initiatives and resources in place to develop the leadership and organisational capability of their partners, and this framework will provide a more strategic view of how to apply time, investment and other resources most effectively to meet the predicted workforce challenges.

Drug Free Sport New Zealand

Strategic direction and delivery

During the period 2014 to 2017 Drug Free Sport NZ will pursue the objective of New Zealand Sport being doping free.

In working towards that Drug Free Sport NZ focuses on three primary areas of activity:

- Education which seeks to increase the understanding of and support for doping free sport.
- Enforcement which aims to deter and (if necessary) detect doping. This will be done by the application of a highly targeted testing programme allied to an effective information gathering and utilisation system.
- Influence to both help mould the international policies with which we must comply as well as ensure compliant programmes within sporting organisations.

Funding

Government funding to cover the cost of anti-doping work is being progressively re-focussed to ensure we are receiving the best available information with respect to doping activity in New Zealand and adapting our processes accordingly. This approach has been initiated in response to changing international experience and practise and in advance of the application of the 2015 Code which makes this approach a clear priority.

Drug Free Sport NZ has managed a moderate surplus over time to ensure it is in a position to make progress in cases which require high investment whether in legal fees or other. DFSNZ does not (at this time) foresee an immediate need to seek additional funding. Nevertheless it is a rapidly changing field and a greater investment in information gathering, and/or developments in related technological requirements, may reveal a need for more services.

Risks to implementation

The proposed plan is ambitious but achievable. The overall risk of not achieving our objectives is low. Major risks to the implementation of our strategic delivery are outlined below (and in more detail in Annex 7):

Delivery and sustainability of existing quality cultural products in the longer term

Many of the cost structures of the delivery of cultural product (including, for example, professional orchestras) have inbuilt productivity inflexibility. In an environment of static or declining government investment, this leads to structural deficits over the long run as costs rise and the capacity to generate the additional revenue and savings required to fund them becomes fully utilised.

Delivery of the National War Memorial Park Precinct

The National War Memorial Park Precinct is the legacy project of the Government's First World War Commemorations. There are risks that elements of the project are not delivered to time, cost and quality expectations. Elements of the project include:

- National War Memorial Park
- Hall of Memories
- Dominion Museum
- Interpretation Centre

Achieving an appropriate balance between preservation of built heritage (including government owned heritage buildings) and other objectives

That retention of appropriate levels of built heritage are unaffordable in the face of the challenges presented by preparing for and responding to natural disasters.

[11]

[7]

Organisational Capability and Workforce

Organisational and Workforce Capability

Elements of the Ministry's strategic direction and medium-term intentions that have organisational capability and workforce implications include:

- Increasing emphasis on strategy development;
- Increasing scope and complexity of projects;
- Increasing collaboration and partnerships with other agencies;
- Increasing engagement with Māori and new projects relating to the Crown-Māori relationship;
- Emerging need to obtain project funding from new sources other than Vote MCH;
- Continuing need for strong leadership;
- Continuing need for political awareness and “nous”;
- Continuing need for evaluation and analysis to support policy development and decision-making.

The most significant shifts in capability required to meet these needs include:

- Leadership;
- Strategic and systems thinking;
- Programme/project planning/management;
- Creative thinking and innovation;
- Business case development;
- Fundraising;
- Te reo Māori;
- Māori engagement.

Actions the Ministry will take to address these capability gaps include:

- Learning and development programmes (Ministry-wide, or targeted at particular branches/teams/groups);
- Individual learning and development opportunities;
- Coaching and mentoring;
- Recruitment of expertise to specialist roles;
- Internships and other “grow-your-own” initiatives, particularly where there is a market shortage.
- Secondments, particularly with our sector entities and partner agencies.

Organisational culture

The culture at the Ministry is engaged, consultative and collegial. The Ministry carries out a staff engagement survey every 12 to 18 months. The most recent survey, run by JRA/Kenexa in May 2013, had a ratio of 20% actively engaged to 14% disengaged. This was a drop from the previous survey and is below the Ministry's desired target.

Action planning, monitoring and reporting is taking place at both Ministry-wide and branch/team levels, to improve future engagement levels. The Ministry's Leadership Team has decided to take action in two areas:

- Developing a better sense of common purpose;
- Reviewing our approach to performance management.

Workforce Capacity

A significant portion of the Ministry's work is project-based. Consequently, our staff numbers fluctuate as additional staff are employed in fixed-term positions that are established for the duration of particular projects. Around 35-40% of our employees are fixed term. While our staff establishment numbers continued to grow over the four years following the introduction of the Public Service Staffing cap (and then dropped slightly over the last year), our "core staff" figures (i.e. excluding specific new initiatives and responsibilities) remained essentially unchanged. The Ministry expects that its total staff establishment will level out a little below its current number, over the next four years.

Workforce costs

Workforce costs will continue to be managed within the Ministry's baseline. The Ministry has budgeted a modest increase of 1.5% each year in our direct workforce costs. This budgeted increase is primarily for salary increases, which are reviewed annually using a Remuneration Forum rather than collective bargaining. We are experiencing increasing pressure on remuneration as we endeavour to keep our salary ranges in reasonable touch with the market, within budget constraints.

Other factors, in addition to the annual remuneration review, are driving an increase in average salary costs in the Ministry. These include: a trend to appointing new employees in the upper part of the applicable salary range, new positions established at more senior level (affecting the distribution of staff across our grades), enhanced provisions for staff progression (e.g. Adviser to Senior Adviser), and several jobs re-evaluated into higher grades.

The Ministry will continue to look for greater efficiencies in managing the non-salary components of workforce costs.

Financial Summary

Operating – Departmental

	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Current operating expenditure baseline	25.647	15.299	14.154	14.154	14.154
Add any indicative allocation advised of	-	-	-	-	-
Equals Total funding level for planning	25.647	15.299	14.154	14.154	14.154
Financial movements					
Add cost of new activity to be funded from current baselines	-	-	-	-	-
Add total cost pressures	-	0.250	0.500	0.600	0.700
Subtract significant changes that will generate savings	-	0.250	0.500	0.600	0.700
Add or Subtract vote transfers	-	-	-	-	-
Subtract any indicative allocation advised of (as above)	-	-	-	-	-
Equals Total funding level for planning	25.647	15.299	14.154	14.154	14.154

Operating – Non Departmental

	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Current operating expenditure baseline	359.459	327.126	327.126	327.126	327.126
Add any indicative allocation advised of	-	-	-	-	-
Equals total funding level for planning	359.459	327.126	327.126	327.126	327.126
Financial Movements					
Add cost of new activity to be funded from current baselines	-	-	-	-	-
Add total cost pressures	-	0.200	0.200	0.200	0.200
Subtract significant changes that will generate savings	6.206	0.200	0.200	0.200	0.200
Add or Subtract vote transfers	-	-	-	-	-
Subtract any indicative allocation advised of (as above)	-	-	-	-	-
Equals Total Funding level for Planning	353.250	327.126	327.126	327.126	327.126

Capital - Departmental

	Increase (Decrease)				
	2013/14 \$0.000 m	2014/15 \$0.000 m	2015/16 \$0.000 m	2016/17 \$0.000 m	2017/18 \$0.000 m
Operating balance funding available	2.393	2.493	2.493	2.493	2.493
Add depreciation funding received	0.490	0.390	0.390	0.390	0.390
Add receipts from sale of assets	-	-	-	-	-
Add other (please specify)	-	-	-	-	-
Equals total baseline funding available	2.883	2.883	2.883	2.883	2.883
Subtract capital investments funded from baselines	0.390	0.390	0.390	0.390	0.390
Equals closing baseline funding available	2.493	2.493	2.493	2.493	2.493

Capital – Non Departmental

	Increase (Decrease)				
	2013/14 \$0.000 m	2014/15 \$0.000 m	2015/16 \$0.000 m	2016/17 \$0.000 m	2017/18 \$0.000 m
Baseline funding available for the purchase or development of Crown capital assets	4.862	8.538	-	-	-
Add capital investments in organisations other than departments	3.000	3.000	3.000	3.000	3.000
Equals total	7.862	11.538	3.000	3.000	3.000

Annex 2 Supporting financial information

A2.1 New activity that will be funded from within baselines

Departmental - Operating

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Total	0.000	0.000	0.000	0.000	0.000

Non Departmental – Operating

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Total	0.000	0.000	0.000	0.000	0.000

Departmental - Capital

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Replacement of existing departmental assets	0.390	0.390	0.390	0.390	0.390
Total	0.390	0.390	0.390	0.390	0.390

Non Departmental - Capital

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
National War Memorial Park	4.862	8.532	-	-	-
Total	4.862	8.532	-	-	-

A2.2 Cost Pressures

Departmental

Summary Table of Total Operational Cost Pressures	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
From Increased Service Demand	-	-	-	-	-
[10]					
From Capital Planning	-	-	-	-	-
From Other	-	0.100	0.200	0.200	0.200
Total	[10]				

Non Departmental

Summary Table of Total Operational Cost Pressures	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
From Increased Service Demand	-	0.200	0.200	0.200	0.200
From Direct Employment Costs	-	-	-	-	-
From Capital Planning	-	-	-	-	-
From Other	-	-	-	-	-
Total	-	0.200	0.200	0.200	0.200

Cost pressures arising from increased service demand

Non Departmental Cost Pressures

Cost Pressures arising from increased demand on service delivery and short description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Protection of taonga tūturu – There continues to be an increase in demand for conservation of newly found taonga over and above the existing appropriation of \$0.079 million.	-	0.200	0.200	0.200	0.200
Total	-	0.200	0.200	0.200	0.200

Cost pressures arising from direct employment costs

Cost Pressures arising from Direct Employment Costs	2013/14 \$0.000m %	2014/15 \$0.000m %	2015/16 \$0.000m %	2016/17 \$0.000m %	2017/18 \$0.000m %
Departmental cost pressures	-	0.150	0.300	0.400	0.500
Anticipated % change	-	1.5	1.5	1.5	1.5
Non- Departmental cost pressures	-	-	-	-	-
Anticipated % change	-	-	-	-	-
Total	-	0.150	0.300	0.400	0.500

Other cost pressures

Cost Pressures arising from Other	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Accommodation cost increases due to end of lease at ASB House	-	0.100	0.200	0.200	0.200
Total	-	3.100	3.524	3.524	3.524

Changes that will generate savings

Departmental

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Departmental efficiency savings	-	0.250	0.500	0.600	0.700
Total					

Non Departmental

Intention Name and Brief Description	2013/14 \$0.000m	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Commonwealth War Graves Commission savings on foreign exchange	-	0.200	0.200	0.200	0.200
Return of surplus from BSA	0.206	-	-	-	-
Savings from Going Digital Targeted Assistance Package	6.000	-	-	-	-
Total	6.206	0.200	0.200	0.200	0.200

Annex 3 Budget initiatives

A3.1 Te Papa replacement of existing assets

Initiative Name	Vote	Department	Contact Person
Ta Papa – replacement of existing assets	Arts, Culture and Heritage	Ministry for Culture and Heritage	Ralph Johnson

Describe what this funding request is for and what the expected results from this spending are.	<p>Te Papa is not and never has been fully funded for depreciation (currently \$13.2 million per annum).</p> <p>Te Papa has depreciating assets of \$343 million and non-depreciated collections of \$829 million. The Board allocates an annual capital spend of \$6 million, with an additional capital appropriation of \$3 million set aside for collection acquisitions. This \$6 million per annum has been used by Te Papa for funding shorter-life assets and has been applied to both plant and exhibition replacement.</p> <p>Significant capital expenditure is also now required to maintain the status quo of an aging building, which includes significant work to the roof. Furthermore, if Te Papa is to become a truly national museum, additional expenditure is required to fulfil the Proposition for Art projects, maintain and increase the world class exhibition programme and refresh basic infrastructure such as the roof, toilets, lifts and utilities.</p>
Describe how the expected results will be measured.	The ability for Te Papa to continue to operate a museum service from its Cable Street premises.

Budget 2014

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating				
Operating funding sought	-	-	-	-
Capital				
Capital funding sought	8.000	[7]		

Describe how, if the funding sought represents the total amount required for the initiative - and if not, what the total is and where the additional funds are	This is the total costs of expected works at Te Papa to maintain the current Cable Street premises and to operate the museum as a world class museum.
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coming from:	
Describe if this initiative might require additional funding in future years:	Due to the nature of the funding model for Te Papa (which has never been fully funded for depreciation), there will continue to be requirements for capital spend on the existing assets to keep them operating at the required level.
Describe how this new funding request supports the Governments priorities:	This supports responsibly managing the Government's finances, as the investment is needed to manage a Crown asset, and prevent further costs becoming necessary in future.
Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:	This supports the on-going delivery of Museum Services through Te Papa and continued access for visitors to New Zealand's culture and heritage.
Describe why this new initiative cannot be funded within baselines:	There was an explicit decision in 1999, when Te Papa was opened that it would not be funded for depreciation. As a result, it does not hold cash reserves to allow it to meet these costs from within baselines. The wider Vote does not have any significant capital funding which could be reprioritised.
Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:	N/A
Describe the implication if this funding is not approved:	Te Papa premises on Cable Street will fall into some disrepair and there is a risk that the museum will suffer a loss of reputation, if facilities are not brought up to scratch. There is a risk that Te Papa may not be able to provide world class museum services and would have to reduce its level of service in order to manage the needs of the building.
If partial funding of this initiative is an option, please describe how partial funding might work:	There are significant areas which need work now, and partial funding would allow some of these areas which would be prioritised above others, including the roof.

A3.3 Television New Zealand Archive

Initiative Name	Vote	Department	Contact Person
TVNZ Archive	Arts, Culture and Heritage	Ministry for Culture and Heritage	Todd Kriebel

Describe what this funding request is for and what the expected results from this spending are.	<p>Costs of operating the TVNZ Archive once transferred to the Crown</p> <p>Digitisation and online access boost</p> <p>Opening the TVNZ Archive database for public access to the catalogue of 647,000 items including iconic New Zealand content such as clips from nightly news bulletins</p> <p>Providing selected Creative Commons licenced content to the public and other users such as the Digital Literacy Programme.</p> <p>Streaming of TVNZ owned content</p> <p>No fees for non-commercial users to maximise public value</p>
Describe how the expected results will be measured.	<p>Operating costs are adequate to run the present level of archive services with TVNZ paying for production library services</p> <p>Online access is doubled to 600 titles in year one and 300 titles in each of year two and three</p> <p>Online access continues in out years as a result of cross-sector archive consolidation.</p> <p>Deferred preservation risks being managed</p>

Budget 2014

Funding Sought at Budget 2014	2014/15 \$0.000m	2015/16 \$0.000m	2016/17 \$0.000m	2017/18 \$0.000m
Operating				
Operating funding sought	3.500	3.000	3.000	2.500
Capital				
Capital funding sought	-	-	-	-

Describe how, if the funding sought represents the total amount required for	This funding represents the total cost of the transfer, including some costs to increase the level of access
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the initiative - and if not, what the total is and where the additional funds are coming from:	to the archive. Capital and asset management costs are to be updated by TVNZ and DIA
Describe if this initiative might require additional funding in future years:	On-going operating costs of running archive are required. Funding for online access to be funded from savings from Digital Targeted Assistance programme.
Describe how this new funding request supports the Governments priorities:	Better Public Service Result 10: New Zealanders can complete their transactions with government easily in a digital environment
Describe how this new funding request aligns with your Strategic Direction and delivery thereof, as described in your 4YP:	Increasing on-line access and digitisation of cultural product.
Describe why this new initiative cannot be funded within baselines:	The main imperative behind the transfer is not in line with ACH priorities, and therefore would not be funded above existing ACH activities.
Describe what other activities are already being undertaken, either within your agency or across the State sector, to address the issue this new funding will look to address:	We currently fund the NZ Film Archive \$3.8 million per year to manage the Film Archive which is related. However this is a significant amount of audio-visual content not currently accessible through this archive. The TVNZ Archive is larger than the National TV Collection managed by the NZFA. We will use this opportunity for archive rationalisation with the future 'dividend' being applied to more public online access.
Describe the implication if this funding is not approved:	The archives will remain with Television New Zealand and their responsibilities for Public Records Act compliance remain
If partial funding of this initiative is an option, please describe how partial funding might work:	The transfer could take place, but the increased access would not be part of this, which would reduce the operational funding needed by \$2 million over the 4 year period above. Little additional benefit would be realised.

Annex 5 Capital intentions

Ministry for Culture and Heritage

MCH has a very small balance of assets (Total at cost \$2 million) which it uses in producing its own outputs, including leasehold improvements, plant and equipment and office furniture and IT equipment. MCH manages the on-going replacement and management of these assets. MCH has a healthy operating balance of over \$2 million with which to fund these replacements. MCH has no plans to increase the level of assets significantly.

As IT moves to more service, rather than asset based provision, the level of IT assets is expected to drop, while operating costs will increase. This is further explained in the alignment with government priorities in Annex 6.

National War Memorial precinct

As part of the World War One commemorations, the Crown is developing a National War memorial Park in Buckle Street, Wellington in front of the existing National War Memorial (comprising of the Carillon and the Hall of Memories).

The whole precinct will be reopened by 26 April 2015, which is 100 years after the events in Gallipoli as part of World War One.

The underpass is being developed by NZTA, and the on-going management and maintenance of the underpass will be managed as part of Vote Transport.

The development of the Park has increased in cost since the original approval of \$12 million (including \$10 million contribution from the Crown). The current estimated cost is \$25.8 million. The increase in cost is due to material scope and specification growth (including expanding the area of the Park). Furthermore, as construction on the underpass has progressed, more complicated above and below ground structural features are required to support the Park.

Cabinet is considering a paper outlining these cost increases and exploring the funding options for completion of the Park.

The Hall of Memories and Carillon are in various states of earthquake strengthening. The Carillon is considered approximately 67% of code (the minimum legal requirement is 33%), and is currently undergoing maintenance, including cleaning and repair of the stone and some of the steel inside, due to complete in November 2013.

The Hall of Memories is only approximately 25% of code and is currently closed. There is an operating balance of around \$2 million based on depreciation charged over the past ten years which has not been drawn down. An investment of \$2.5 million is required to bring the Hall of Memories up to 67%. This is being considered by Cabinet.

No other significant work is planned on the National War Memorial within the next 4 years. An asset management plan for the precinct will be developed as part of the run up to ANZAC day 2015, which will outline the expected flows of capital investment over the next 25 years for the whole precinct.

Te Papa – Cable Street

Following a Cabinet decision in 1999, Te Papa does not receive full funding for depreciation. Of a total \$13 million annual depreciation cost, \$6 million is funded. Until 2011, this \$6 million was funded as a capital injection (rather than operating funding) but was transferred to operating funding in 2011/12. Therefore Te Papa makes an operating deficit of around \$7 million a year.

The building on Cable Street which is nearly 15 years old, now needs some replacement capital works undertaken, including work to the roof and works to the inside of the building, including plumbing and electrical works.

The original Cabinet Paper signalled that when such replacement works needed to be undertaken, then Te Papa needed to seek this as a capital injection to undertake these specific works. This is a very different way of managing their balance sheet from that undertaken across the rest of government.

Te Papa have an asset management plan for their existing Cable Street asset and are aware of significant renewals which are required in the next few years. This Four Year Plan seeks to fund the capital expenditure needed to prevent the Cable Street building falling into disrepair, and maintaining the current level of service.

[7]

Other sector agencies

The wider sector has a number of agencies similar to MCH who manage their small level of assets within their own funding. Those agencies with significant assets, including Historic Places Trust are continuing their asset management as planned and currently do not require new funding.

Wider sectoral issues

Across New Zealand, the earthquakes in Canterbury have highlighted the need to manage the strength of buildings in the event of an earthquake. For heritage buildings, this is particularly important issue as in the event of an earthquake much built heritage can be lost if the buildings are not protected. This affects Crown buildings, including those managed by Historic Places Trust, but is a far bigger issue in the private sector.

There is a risk that without incentives to strengthen heritage buildings, New Zealand will lose much of its built heritage in the event of a severe earthquake, or even before in preventative measures since it

may be considered more economically viable in some cases to demolish the heritage building and invest in a brand new building in order to meet legislative requirements. However this would not recognise the loss to new Zealand's cultural identity and heritage.

Strategy for managing capital

The sector will continue to manage its assets as it has to date, seeking new capital funding for new assets as required, and undertaking the Better Business Case process for these. We will manage required renewals and works to existing assets within depreciation funding where available as far as possible. Where depreciation funding is not provided (Te Papa), applications for renewals will be submitted to Cabinet.

Annex 6 Alignment of MCH ICT Strategies to Destination 2017

Intention name: Use of All-of-Government Information Technology	
Note Strategic outcome(s) related to this intention: This contributes to the all-of-government strategy of aligning government systems to enable collaboration in delivering better public services.	
Type of action: Grow the digital channel Unlock the value of information Embed trust and security Accelerate the uptake of common capabilities	<p>MCH will focus on making information and services joined-up and easier to locate and access. Plans are developing to make MCH's information products available as open data which will make them more locatable, accessible and re-usable.</p> <p>MCH will continue to support to the All of Government (AoG) Open Data Programme by donating one day a week of the CIO's time.</p> <p>MCH will implement new digital service models by developing a "digital first publishing" strategy and enhance the structure of the content to enable delivery of its information products by any digital channel, preparing for unknown future digital channels as well as current channels.</p> <p>By establishing a hub for sharing authoritative information MCH will also enable delivery of our content from multiple websites via a central API in machine readable formats, thereby accelerating the release of public information assets for commercial and social re-use</p> <p>MCH is working to strengthen information management, privacy and security frameworks and review them on an on-going basis through a security committee that is driving a programme of continuous improvement across all aspects of security.</p> <p>MCH is looking to optimise ownership of commodity ICT assets through reducing the number of devices required per staff, by choosing versatile, multifunctional devices and moving toward integrated telephony.</p> <p>MCH is monitoring developments in the common capabilities, particularly Infrastructure as a Service (IaaS). MCH will consider at every opportunity expanding the portfolio of common capabilities through sharing what we are doing with other agencies.</p> <p>While IaaS is expected to make significant saving across government, at this point it is not expected to save MCH anything, and may cost more. The change will mean less capital investment in infrastructure as costs shift to operational expenditure.</p> <p>MCH is already part way on the spectrum towards IaaS with its assets residing in the data centre of an IaaS provider, with some level of service around IT provision. Over the next 12 months MCH will move to virtualise its entire infrastructure which will</p>

<p>Build workforce capability</p> <p>Re-organise capability</p>	<p>make transition to laaS easier. The aim is to move to laaS by sometime in 2015.</p> <p>MCH is investing in capability of the ICT workforce through a staff progression programme, and through balancing the in-house/outsourced capability.</p> <p>MCH has recently retracted some of its outsourced ICT capability. By terminating outsourced desktop support (1 FTE) and 0.5 FTE of engineer resource, and replacing it with 1 in-house engineer the cost has been halved and capability and flexibility greatly increased. MCH intends to maintain some level of capability in-house going forward.</p> <p>Discussions have begun (at ICT management level) to explore opportunities to collaborate within the cultural sector. The first step will be to develop a sector IT Strategic Plan.</p>			
<p>Motivation for change:</p> <p>Grow the digital channel Unlock the value of information</p> <p>Accelerate the uptake of common capabilities</p> <p>Build workforce capability</p> <p>Re-organise capability</p>	<p>Two of MCH's goals are to improve access to New Zealand's culture; and to enhance contribution of culture to wider social and economic goals.</p> <p>Even though laaS is not expected to create any savings, it may enable the potential of simpler cross agency collaboration to provide better joined up services to the public.</p> <p>Being part of laaS is also likely to be a prerequisite to participating in other all-of-government initiatives such as Desktop as a Service (DaaS), Office Productivity as a service (OPaaS), and Enterprise Content Management System (ECMS).</p> <p>These all-of-government products are still under development, but are expected to be available to adopt by 2015, and are expected to be considered by MCH as per the Government ICT Strategy and Action Plan to 2017.</p> <p>By maintaining the right balance of high quality in-house resource, MCH will have the necessary capability and control to be agile and responsive, so it can change rapidly to provide better public services, and keep pace with changes in customer expectations.</p> <p>There are a number of very small entities in the cultural sector that can benefit through sharing capability, especially by increasing resilience.</p>			
<p>Describe the intended change including timeframes of the implications:</p> <p>See above.</p>				
<p>Describe and quantify the financial impacts of the intended change:</p> <p>Unknown at this stage.</p>				
<p>Financial impact of intended change</p>	<p>2013/14</p>	<p>2014/15</p>	<p>2015/16</p>	<p>2016/17</p>
<p>Operation expenditure</p>	<p>-</p>	<p>-</p>	<p>↑</p>	<p>↑</p>

Capital expenditure	-	-	↓	↓
<p>Describe any implications for the workforce capacity and capability of the intended change:</p> <p>No change in workforce expected.</p>				
<p>Describe any other capability implications of the intended change:</p> <p>Impact on flexibility and agility will be monitored to ensure that MCH can adapt and change rapidly to meet customer demands, and to deliver better services (services delivered on a large scale by nature require stronger, more restrictive change control).</p>				
<p>Describe how the success of the intended change will be known or measured, including the value of spending:</p> <p>MCH's information technology services will be aligned to the all-of-government initiatives, and the <i>Government ICT Strategy and Action Plan to 2017</i>.</p> <p>MCH's authoritative published content is re-used in innovative ways, improving social and economic benefits for New Zealanders.</p>				



A7.2 Resilience

Factor	1 Strongly resilient	2 Resilient	3 Somewhat resilient	4 Weakly resilient	5 Not Resilient
Staff		x			
Information Systems			x		
Stakeholder relations / reputation		x			
Physical capability		x			
Finances			x		

Staff

MCH is aware of these risks, our staff are fairly resilient, we have comparatively high levels of staff engagement (and generally a willingness to pitch in where needed), our staff have the skills and capabilities needed to manage these risks (or at least some staff do, even if not always enough of them), MCH (being relatively small and close) is quite nimble in its ability to respond to emerging needs.

Information systems

In the event of isolated information systems failures, MCH is in a position to recover relatively quickly with local system redundancy, service contracts and in-house support capability.

In the event of a major disaster MCH's requirement to recover quickly is low, as we do not provide essential services required at such times. However, our resilience does need to improve because we currently have no geographic separation of our production and backup data outside Wellington.

This is one challenge MCH will be looking to resolve through Infrastructure as a Service (IaaS). Discussions with ICT representatives across the sector have identified improved resilience as a key outcome from future collaboration.

Stakeholder relations/reputation

As a small ministry MCH actively works with other government and local body agencies on projects so is practised in stakeholder relationship management. It is becoming more adept in articulating and demonstrating the value of and relevance to stakeholders of their engagement in work MCH is leading or coordinating.

MCH has stakeholder engagement strategies and plans in place for its major projects. These plans are live documents responsive to feedback and process adjustments. MCH's size enables it to be nimble and responsive to changing circumstances and requirements. It also

enables it to have an internally coordinated approach which engenders confidence in stakeholders.

MCH does not have great depth in terms of capacity available to projects/work due to its size. This can be problematic if the work demands are greater than the resources or expertise available which then can be a risk to MCH's reputation.

Physical capability

MCH is currently enjoying low rent on its premises, owing to its occupying surplus space within the Crown estate. This arrangement continues until late 2014. MCH is participating in Tranche 2 of the Wellington Accommodation Project, scheduled to come to fruition around late 2017. In the meantime MCH will either extend its current lease and manage the cost within baseline when the rent "moves to market", or find alternative premises if a more favourable deal can be negotiated. In either event, a more flexible working environment will be implemented to make optimal use of the working environment.

Agencies in receipt of funding through the vote are also currently well placed in regard to premises. Creative New Zealand, who sustained damage to their building in the July earthquake, have demonstrated considerable resilience in finding and establishing new premises quickly and implementing a more cost-effective flexible working environment.

Finances

MCH and other funded agencies have demonstrated that we are somewhat resilient to reductions in baselines, having managed real baseline cuts, while sustaining a consistent level of output. The major risk, and where resilience is lower, is in relation to significant new projects which are expected to be delivered, especially within short timeframes, which will put pressure on existing prioritised activities.

Annex 8 Government priorities

A8.1 Delivering Better Public Services

	2012/13	2013/14	2014/15	2015/16
Resources committed	TVNZ Archive 0.5 FTE Monitoring Framework 1 FTE Agency cost analysis 0.2 FTE National Centre for Collections, learning and Exhibitions 0.5 FTE	Heritage Forum \$0.2m Collaboration 0.5 FTE		

A8.2 Canterbury rebuild

	2012/13	2013/14	2014/15	2015/16
Resources committed	Canterbury Arts and Culture Recovery programme 0.2 FTE Canterbury Earthquake Memorial 0.8FTE Spaces and Places Recovery plan 0.2 FTE Greater Christchurch Heritage Buildings and Places Recovery programme 0.4 FTE			

A8.3 Building a more productive and competitive economy (Business Growth Agenda work-stream)

	2012/13	2013/14	2014/15	2015/16
Resources committed	Screen sector 1 FTE			