

The Treasury

Budget 2014 Information Release

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- [13] Not in scope
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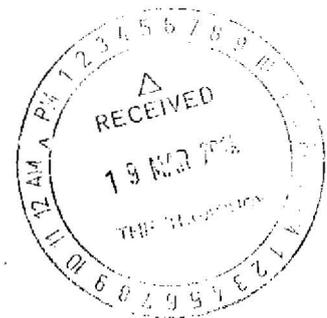
Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

National War Memorial Precinct (Pukeahu): Update on Progress

Portfolios: Transport / Arts, Culture and Heritage

On 17 March 2014, Cabinet:



Funding of National War Memorial Precinct (Pukeahu)

1 **noted** that in July 2012, Cabinet:

- 1.1 noted the national importance of the National War Memorial Precinct (Pukeahu) in Wellington and its completion in time for the centenary of the Gallipoli landings in April 2015;
- 1.2 agreed to expand the National War Memorial Precinct to include a Park that extends across what is currently State Highway 1 at Buckle Street;

[CAB Min (12) 24/4]

2 **noted** that on 2 September 2013, the Cabinet External Relations and Defence Committee:

- 2.1 noted that the Park is on schedule for completion in April 2015;
- 2.2 noted that the quantum of funding agreed by Cabinet for constructing the Park (\$12 million) understates by \$13.8 million the revised cost estimate of \$25.8 million for delivering on the project to the quality level envisaged;

[ERD Min (13) 9/2]

3 **noted** that the \$13.8 million cost increase reflects the increase in scale and scope, and level of risk involved in building the Park within a tight timeframe;

4 **noted** that decisions on the scope of the Park are required to be finalised by early March 2014, in order to allow for procurement of materials ahead of construction and completion of the Park in time for Gallipoli centenary commemorations;

5 **noted** that at least \$7.5 million, and potentially up to \$8.2 million, is available from the Going Digital Targeted Assistance Package appropriation for 2013/14 in Vote Arts, Culture and Heritage to help offset the \$13.8 million cost increase, due to careful management of the Assistance scheme and Going Digital programme;

- 6 **agreed** to continue the development of the Park to the original design, with the \$13.8 million cost increase to be met through a combination of a fiscally neutral operating to capital swap of \$7.5 million of the underspend described in paragraph 5 above, and \$6.3 million of new capital funding;
- 7 **agreed** to increase expenditure to provide for the costs associated with the policy decision in paragraph 6 above, with the following impacts on the operating balance and debt:

| Vote Arts, Culture and Heritage | \$m – increase/(decrease) | | | | |
|---------------------------------|---------------------------|---------------|---------|---------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 & Outyears |
| Operating Balance Impact | (7.500) | - | - | - | - |
| Debt Impact | - | 13.800 | - | - | - |
| No Impact | - | - | - | - | - |
| Total | (7.500) | 13.800 | - | - | - |

- 8 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 6 above:

| | \$m – increase/(decrease) | | | | |
|---|---------------------------|---------------|---------|---------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 & Outyears |
| Vote Arts, Culture and Heritage Minister of Broadcasting Non-departmental Other Expense: Going Digital Targeted Assistance Package | (7.500) | - | - | - | - |
| Vote Arts, Culture and Heritage Minister for Arts, Culture and Heritage Non-departmental Capital Expenditure: National War Memorial Park | - | 13.800 | - | - | - |
| Total Operating | (7.500) | - | - | - | - |
| Total Capital | - | 13.800 | | | |

- 9 **agreed** that the change in appropriations for 2013/14 above be included in the 2013/14 Supplementary Estimates;
- 10 **agreed** that the \$6.3 million new capital funding requirement described in paragraph 6 above of the increased capital expenditure in paragraph 8 above be a charge against the Budget 2014 Future Investment Fund indicative spending profile;
- 11 **agreed** that any additional funding from the Going Digital Targeted Assistance Package appropriation for 2013/14 in Vote Arts, Culture and Heritage that is available for a fiscally neutral operating to capital swap, potentially up to \$0.7 million, be included in the Budget 2014 technical initiatives package, thereby providing for a further reduction in the \$6.3 million new capital requirement and charge against the Future Investment Fund indicative spending profile described in paragraph 10 above;

- 12 **agreed** that any additional costs over and above the revised \$25.8 million revised budget for the Park will be absorbed within existing Vote Arts, Culture and Heritage and New Zealand Transport Agency baselines;

Hall of Memories

- 13 **noted** that the Ministry for Culture and Heritage (the Ministry) has identified seismic issues relating to the Hall of Memories and is undertaking work to address these issues;
- 14 **agreed** to allocate the necessary new capital funding of \$2.5 million to Vote Arts, Culture and Heritage to enable seismic strengthening on the Hall of Memories to be completed in time for Anzac centennial commemorations in April 2015;
- 15 **agreed** to establish the following new appropriation:

| Vote | Responsible Minister | Title | Type | Scope |
|----------------------------|---|--|--------------------------------------|---|
| Arts, Culture and Heritage | Minister for Arts, Culture and Heritage | National War Memorial – Capital Investment | Non-Departmental Capital Expenditure | This appropriation is limited to capital expenditure on the National War Memorial, Wellington property to maintain or increase its on-going use, functionality and value as a heritage asset. |

- 16 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 14 above, with a corresponding impact on debt:

| Vote Arts, Culture and Heritage Minister for Arts, Culture and Heritage | \$m – increase/(decrease) | | | | |
|---|---------------------------|--------------|----------|----------|--------------------|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 & Outyears |
| Non-departmental Capital Expenditure: National War Memorial – Capital Investment | 1.250 | 1.250 | - | - | - |
| Total Capital | 1.250 | 1.250 | - | - | - |

- 17 **agreed** that the change to appropriations for 2013/14 above be included in the 2013/14 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 18 **agreed** that the capital expenditure incurred under paragraph 16 above be a charge against the Budget 2014 Future Investment Fund indicative spending profile;

Completing the Precinct

- 19 **noted** that once the Precinct has been formally dedicated in April 2015, there are likely to be some future management issues in connection with its maintenance and upkeep;
- 20 **noted** that the Ministry has commenced work on an amendment to the National War Memorial Act 1992 to ensure the effective governance of the Precinct after 31 July 2015;

- 21 **noted** that officials are undertaking further work with the existing landowners to ensure that the current land ownership and usage rights are aligned with the purpose and function of the Precinct into the future;
- 22 **noted** that the Ministry will continue to hold discussions with the Council on issues arising from the maintenance and upkeep of the Park.

Secretary of the Cabinet

Reference: CAB (14) 127
