

# The Treasury

## Budget 2020 Information Release

June 2020

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### Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0219.03: COVID-19: Response and Recovery Fund Foundation Package: Vote Arts, Culture and Heritage**

Date: **11 May 2020**

Creator: Cabinet Office

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- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest

- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

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# Cabinet

## Minute of Decision

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### COVID-19: Response and Recovery Fund Foundation Package: Vote Arts, Culture and Heritage

On 11 May 2020, Cabinet:

- 1 **approved** the attached initiatives for the above Vote for inclusion in the COVID-19 Response and Recovery Fund foundation package;
- 2 **agreed** to establish new appropriations where required to implement the attached initiatives;
- 3 **approved** changes to appropriations and/or capital injections to the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **agreed** that the changes to appropriations and/or capital injections for 2019/20 be included in the Addition to the 2019/20 Supplementary Estimates, and the changes to appropriations and/or capital injections for 2020/21 be included in the 2020/21 Supplementary Estimates, and that, in the interim, the increases be met from Imprest Supply;
- 6 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the Addition to the 2019/20 Supplementary Estimates;
- 7 **authorised** the Chief Executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on an in-confidence-until-announcement basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **agreed** that any and all underspends relating to the initiatives agreed in this package be returned to the Centre;

- 9 **noted** that all communications relating to the COVID-19 Response and Recovery Fund and any requests for early announcement must have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Michael Webster  
Secretary of the Cabinet

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## Initiative No: 12513

**Vote:** Arts, Culture and Heritage

**Title:** Antarctic Heritage Trust - Remaining Viable from the Impact of COVID-19

**Description:** This initiative will ensure Antarctic Heritage Trust can survive and remain viable for the next 18 months. Funding is for the reduced income impact as a result of COVID-19, along with increasing and existing cost pressures.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	1.400	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.400</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Management of Historic Places	-	1.400	-	-	-
<b>Total Operating</b>	-	<b>1.400</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Creative New Zealand – Retain Core Arts Infrastructure and Deliver Arts Projects in Communities

**Description:** This initiative will provide funding to Creative New Zealand to ensure arts organisations remain viable and core creative skills are retained, and improve community wellbeing through the delivery of arts projects.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	25.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>25.000</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Promotion and Support of the Arts and Film	-	25.000	-	-	-
<b>Total Operating</b>	-	<b>25.000</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Cultural Sector Regeneration Fund

**Description:** This initiative will support the cultural and creative industries to survive, adapt and revitalise from the impacts of the COVID-19 health crisis, and to increase wellbeing through greater public access to art and culture. Funding will be used for a National Public Arts Scheme to commission and award grants for new major creative works at a national and local level, for building capability in the cultural sector to adapt their business to respond to COVID-19, and for a contestable Innovation Fund to encourage investment and disruptive innovation in the cultural and creative sectors.

### New appropriation approval

Name	Period	Type	Category Name	Scope
COVID-19: Cultural Sector Response and Recovery	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to grants and subsidies to national, regional and community arts, cultural, and heritage organisations to mitigate the impact of the COVID-19 pandemic on New Zealand's cultural sector.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	65.250	55.250	43.500	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>65.250</b>	<b>55.250</b>	<b>43.500</b>	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Other Expense:</b>					
COVID-19: Cultural Sector Response and Recovery	-	60.000	50.000	40.000	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Policy Advice, Monitoring of Funded Agencies and Ministerial Services (MCA MYA)					
<i>Departmental Output Expense:</i>					
Policy Advice (funded by revenue Crown)	-	5.250	5.250	3.500	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Total Multi-Category Expenses and Capital Expenditure: Policy Advice, Monitoring of Funded Agencies and Ministerial Services (MCA MYA)	-	5.250	5.250	3.500	-
<b>Total Operating</b>	-	<b>65.250</b>	<b>55.250</b>	<b>43.500</b>	-
<b>Total Capital</b>	-	-	-	-	-

**Additional recommendations**

- 1 **agreed** that the Multi-Year, Multi-Category Appropriation: "Policy Advice, Monitoring of Funded Agencies and Ministerial Services" is adjusted by \$14.000 million;
- 2 **noted** that amounts shown in the appropriation changes table for the Multi-Year, Multi-Category Appropriation: "Policy Advice, Monitoring of Funded Agencies and Ministerial Services" are the changes to the indicative annual spending profile;



**Vote:** Arts, Culture and Heritage

**Title:** Establishing a New Zealand Fale Malae

**Description:** This initiative will commence detailed planning and consent work to progress the establishment of a New Zealand Fale Malae.

### New appropriation approval

Name	Period	Type	Category Name	Scope
Heritage and Cultural Sector Initiatives	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to contributions to maintain, improve or expand heritage or cultural services in New Zealand.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	10.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>10.000</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Other Expense:</b>					
Heritage and Cultural Sector Initiatives	-	10.000	-	-	-
<b>Total Operating</b>	-	<b>10.000</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Museum Hardship Fund

**Description:** This initiative will enable cultural heritage destinations to remain financially viable and allow them to re-open once the COVID-19 alert levels have lowered. It will provide hardship funding for around 220 museums to support protection of heritage collections, access to collections, protection of jobs and continued viability of heritage infrastructure. New Zealand's collective cultural heritage that is cared for by the museum sector is an important component of our national identity and there are clear benefits of reopening for domestic and international tourism, as well as the impact on broader wellbeing.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	1.000	1.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.000</b>	<b>1.000</b>	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Museum Services	-	1.000	1.000	-	-
<b>Total Operating</b>	-	<b>1.000</b>	<b>1.000</b>	-	-

**Vote:** Arts, Culture and Heritage

**Title:** New Zealand Music Recovery

**Description:** This initiative will provide funding to commercialise New Zealand music during the COVID-19 crisis, funding to restart the live music industry through domestic touring, and funding to recoup lost income and costs incurred for Outward Sound projects and New Zealand Music Month.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	2.400	8.806	5.372	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>2.400</b>	<b>8.806</b>	<b>5.372</b>	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Performing Arts Services	2.400	4.750	2.250	-	-
Public Broadcasting Services	-	4.056	3.122	-	-
<b>Total Operating</b>	<b>2.400</b>	<b>8.806</b>	<b>5.372</b>	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Pasifika Culture and Heritage Fund

**Description:** This initiative will enable festivals to continue to provide platforms of opportunities to the festival ecosystem, to promote and connect New Zealanders to Pasifika culture and heritage, and to promote cultural wellbeing.

### New appropriation approval

Name	Period	Type	Category Name	Scope
COVID-19: Cultural Sector Response and Recovery	Annual	Non-Departmental Other Expenses	N/A	This appropriation is limited to grants and subsidies to national, regional and community arts, cultural, and heritage organisations to mitigate the impact of the COVID-19 pandemic on New Zealand's cultural sector.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	4.000	4.000	4.000	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>	<b>-</b>

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Other Expense:</b>					
COVID-19: Cultural Sector Response and Recovery	-	4.000	4.000	4.000	-
<b>Total Operating</b>	<b>-</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>	<b>-</b>

**Vote:** Arts, Culture and Heritage

**Title:** Premium New Zealand Films for International Audiences

**Description:** This initiative provides reprioritised funding to support up to eight premium narrative, live-action screen productions of either feature film or limited series length for domestic and international audiences. The funding will be used for domestic productions telling New Zealand stories made by New Zealand production houses and using New Zealand cast and crew underutilised due to international productions pulling out of New Zealand for the foreseeable future. The fund would be available for experienced New Zealand producers with clear path to market, including commitment from both local and international distributors to purchase the production.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	25.000	25.000	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>25.000</b>	<b>25.000</b>	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Promotion and Support of the Arts and Film	-	-	25.000	-	-
<b>Non-Departmental Other Expense:</b>					
New Zealand Screen Production Grant - New Zealand (MYA)	-	25.000	-	-	-
<b>Total Operating</b>	-	<b>25.000</b>	<b>25.000</b>	-	-

### Additional recommendations

- 1 **noted** that this is a fiscally neutral transfer from Vote Business, Science and Innovation (Initiative 12840) to Vote Arts, Culture and Heritage;
- 2 **noted** that this fiscally neutral adjustment is likely to increase the future cost pressures on the New Zealand Screen Production Grant – International MYA, as it is a non-discretionary and uncapped grant, and that calls on future Budgets may be required to address this cost pressure (including before Budget 2021);
- 3 **noted** that Cabinet has previously invited the Minister for Arts, Culture and Heritage and Minister for Economic Development to jointly report back to the Cabinet Economic Development Committee on the fiscal sustainability of the New Zealand Screen Production Grant (NZSPG) schemes;

- 4 **agreed** that the Multi-Year Appropriation: "New Zealand Screen Production Grant - New Zealand" is adjusted by \$25.000 million.
- 5 **noted** that amounts shown in the appropriation changes table for the Multi-Year Appropriation: "New Zealand Screen Production Grant - New Zealand" are the changes to the indicative annual spending profile;

**Initiative No: 12601****Vote:** Arts, Culture and Heritage**Title:** Radio New Zealand Baseline Funding Increase**Description:** This initiative will seek to increase Radio New Zealand's baseline funding to support current levels of service including essential journalism, news and media. This increase extends time-limited funding that expires on 30 June 2021.**Appropriation changes**

	<b>\$m - increase/(decrease)</b>				
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 &amp; Outyears</b>
Operating Balance Impact	-	-	7.250	7.250	7.250
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7.250</b>	<b>7.250</b>	<b>7.250</b>

	<b>\$m - increase/(decrease)</b>				
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24 &amp; Outyears</b>
<b>Non-Departmental Output Expense:</b>					
Public Broadcasting Services	-	-	7.250	7.250	7.250
<b>Total Operating</b>	<b>-</b>	<b>-</b>	<b>7.250</b>	<b>7.250</b>	<b>7.250</b>

**Vote:** Arts, Culture and Heritage

**Title:** Retain Core Capability of Heritage New Zealand Pouhere Taonga

**Description:** This initiative will retain the core capability of Heritage New Zealand Pouhere Taonga in response to falling revenues and depleted reserves.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	3.007	2.357	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>3.007</b>	<b>2.357</b>	<b>-</b>	<b>-</b>	<b>-</b>

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Management of Historic Places	3.007	2.357	-	-	-
<b>Total Operating</b>	<b>3.007</b>	<b>2.357</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



**Vote:** Arts, Culture and Heritage

**Title:** Retain The Museum of New Zealand Te Papa Tongarewa's Core Capability

**Description:** This initiative is required to enable Te Papa to maintain core operations and critical infrastructure during the period when commercial revenue is impacted by COVID-19. Te Papa has been delivering core outputs using the profits from its commercial activities – these core outputs are now at risk.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	18.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>18.000</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Museum Services	-	18.000	-	-	-
<b>Total Operating</b>	-	<b>18.000</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Royal New Zealand Ballet - Surviving the Effects of the Covid-19 Pandemic

**Description:** The intention of this initiative is to provide operational funding to Royal New Zealand Ballet so it can survive the effects of the COVID-19 pandemic and be in a position to recover quickly once it is possible to resume delivery of live performances and community and education programmes.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.095	0.919	1.017	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.095</b>	<b>0.919</b>	<b>1.017</b>	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Performing Arts Services	0.095	0.919	1.017	-	-
<b>Total Operating</b>	<b>0.095</b>	<b>0.919</b>	<b>1.017</b>	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Screen Production Fund

**Description:** This initiative will fund costs incurred by New Zealand On Air and the New Zealand Film Commission to deliver planned productions that have been shut down, delayed or constrained by COVID-19 restrictions.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	4.700	18.700	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>4.700</b>	<b>18.700</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expenses:</b>					
Promotion and Support of the Arts and Film	2.700	10.700	-	-	-
Public Broadcasting Services	2.000	8.000	-	-	-
<b>Total Operating</b>	<b>4.700</b>	<b>18.700</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Te Matatini - Seeking Funding for COVID-19 Related Costs

**Description:** This initiative covers sunk costs and lost revenue to allow the postponed regional kapa haka competitions and the National Festival to occur. It also includes internal capability and capacity to meet increased demands on the organisation from government and regions.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	0.180	2.250	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>0.180</b>	<b>2.250</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Output Expense:</b>					
Performing Arts Services	0.180	2.250	-	-	-
<b>Total Operating</b>	<b>0.180</b>	<b>2.250</b>	-	-	-

**Vote:** Arts, Culture and Heritage

**Title:** Waitangi National Trust - Surviving the Effects of the Covid-19 Pandemic

**Description:** The intention of this initiative is to provide operational funding to Waitangi National Trust so it can survive the effects of the COVID-19 pandemic and be in a position to recover quickly once domestic and international tourism restarts.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	4.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>4.000</b>	-	-	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Non-Departmental Other Expense:</b>					
Waitangi National Trust	-	4.000	-	-	-
<b>Total Operating</b>	-	<b>4.000</b>	-	-	-