

The Treasury

Budget 2022 Information Release

August 2022

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [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] Out of 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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2022 Budget Package: Vote Arts, Culture and Heritage (Technical Initiatives)

Appropriation Administrator: Ministry for Culture and Heritage

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- 1 **note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2022 Budget package, as detailed in the summary table(s) below:

Summary of technical initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14380	Reclassification of Costs for Erebus Memorial Delay	0.403	-	-	-	-
14351	Rephasing National Music Centre Capital Funding into Earlier Period	-	-	-	-	-
14352	Transfer of funding from Vote Arts, Culture and Heritage to Vote Corrections to fund Art in Prisons initiative	(3.000)	-	-	-	-
Total Operating		(2.597)	-	-	-	-

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14380	Reclassification of Costs for Erebus Memorial Delay	(0.403)	-	-	-	-
14351	Rephasing National Music Centre Capital Funding into Earlier Period	1.000	(1.000)	-	-	-
14352	Transfer of funding from Vote Arts, Culture and Heritage to Vote Corrections to fund Art in Prisons initiative	-	-	-	-	-
Total Capital		0.597	(1.000)	-	-	-

- 2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2022 Budget package for the

above Vote, as detailed in the summary table(s) above;

- ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2021/22 approved by Joint Ministers as authorised above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
 - iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2022/23 Estimates and being sought in the Appropriation (2022/23 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
 - iv. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2021/22 Supplementary Estimates, the 2022/23 Estimates and the fiscal forecasts;
 - v. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent and/or Statement of Performance Expectations;
 - vi. **noted** that all communications relating to the 2022 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office;
- 3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);
 - 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
 - 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
 - 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2021/22 detailed in the attached initiative document(s) be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply; and

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Reclassification of Costs for Erebus Memorial Delay

Description: This initiative is to reclassify a portion of the capital funding for the Erebus Memorial project to operating. The amount is based on security and other contractual costs associated with delays to the project.

This has been included in the Budget Technical process as clarity on the accounting treatment was not obtained until after the March Baseline Update.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	0.403	-	-	-	-
Net Core Crown Debt Impact Only	(0.403)	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Heritage Services (funded by revenue Crown)	0.403	-	-	-	-
Non-Departmental Capital Expenditure:					
Development of National Memorials	(0.403)	-	-	-	-
Total Operating	0.403	-	-	-	-
Total Capital	(0.403)	-	-	-	-

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Rephasing National Music Centre Capital Funding into Earlier Period

Description: This initiative is to bring forward \$1 million of capital funding for the National Music Centre from 2022/23 to 2021/22. The transfer is required to avoid substantial supply chain delays and ensure early payment discounts can be realised.

This has been included in the Budget Technical process as it is moving funding from outyears to the current period.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	1.000	(1.000)	-	-	-
No Impact	-	-	-	-	-
Total	1.000	(1.000)	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Capital Expenditure:					
Heritage and Culture Sector Capital	1.000	(1.000)	-	-	-
Total Operating	-	-	-	-	-
Total Capital	1.000	(1.000)	-	-	-

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Transfer of funding from Vote Arts, Culture and Heritage to Vote Corrections to fund Art in Prisons initiative

Description: This initiative transfers \$3 million from the Ministry for Culture and Heritage's Creative Arts Recovery and Employment fund in 2021/22 to the Department of Corrections to provide for the delivery of arts programmes at prison sites over a three-year period.

The funding is fiscally neutral between the two agencies over the forecast period. It has been included in the Budget Technical process as the funding is being moved both between appropriations and across financial years.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	(3.000)	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(3.000)	-	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Other Expenses:					
COVID-19 – Cultural Sector Response and Recovery	(3.000)	-	-	-	-
Total Operating	(3.000)	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

- 7 **note** that the corresponding initiative in Vote Corrections is Initiative No: 14378; and
- 8 **note** that the Creative Arts Recovery and Employment fund is an initiative under Manatū Taonga's COVID-19 Cultural Sector Response and Recovery appropriation.