

The Treasury

Budget 2021 Information Release

August 2021

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Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0096.01: 2021 Budget Technical Financial Recommendations: Vote Arts, Culture and Heritage**

Date: **9 April 2021**

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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
- [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
- [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

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Cabinet

Minute of Decision

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2021 Budget Technical Financial Recommendations: Vote Arts, Culture and Heritage

On 6 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13436	Antarctic Heritage Trust: Addressing Short-term Sustainability	(1.200)	1.200	-	-	-
13379	COVID-19: Cultural Sector Response and Recovery	-	-	-	-	-
13378	First Media Support Package: Allowance for Impairment of Outstanding Debt	(0.250)	0.250	-	-	-
13376	New Zealand Screen Production Grant – New Zealand	-	-	-	-	-
13377	Premium Productions for International Audiences Fund: Delivery of Grants	-	-	-	-	-
13439	Strong Public Media Programme: Detailed Business Case and Consultation	-	-	-	-	-
Total Operating		(1.450)	1.450	-	-	-

- 2 **agreed** to establish new appropriations where required to implement the initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations 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 for 2020/21 above 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 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;
- 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 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;
- 8 **noted** that all communications relating to the 2021 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;

Michael Webster
Secretary of the Cabinet

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Antarctic Heritage Trust: Addressing Short-term Sustainability

Description: This initiative will ensure the Antarctic Heritage Trust can survive and remain viable, following reduced income as a continuing impact of COVID-19 along with increasing existing cost pressures.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(1.200)	1.200	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.200)	1.200	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expenses:					
Management of Historic Places	-	1.200	-	-	-
Promotion and Support of the Arts and Film	(1.200)	-	-	-	-
Total Operating	(1.200)	1.200	-	-	-

Additional recommendations

9 **noted** that this initiative impacts on the operating balance in each financial year, but is fiscally neutral over the two-year period;

10 [33]

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: COVID-19: Cultural Sector Response and Recovery

Description: This initiative establishes a new annual appropriation with a wider scope than the existing appropriation to enable support to be provided through the Creative Arts Recovery and Employment programme to a broader range of New Zealand applicants.

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 support for national, regional and community arts, cultural, and heritage organisations and individuals to mitigate the impact of the COVID-19 pandemic on New Zealand's cultural sector.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Other Expenses:					
COVID-19: Cultural Sector Response and Recovery	(35.257)	(84.125)	(42.000)	-	-
COVID-19 – Cultural Sector Response and Recovery	35.257	84.125	42.000	-	-
Total Operating	-	-	-	-	-

Additional recommendations

- 11 **agreed** that the non-departmental other expense COVID-19 – Cultural Sector Response and Recovery supersede the non-departmental other expense COVID-19: Cultural Sector Response and Recovery with effect from 6 April 2021;
- 12 **noted** that in-principle transfers to 2021/22 requested for both COVID-19: Cultural Sector Response and Recovery and the new COVID-19 – Cultural Sector Response and Recovery appropriations relate to the time required to engage in appropriate levels of sector consultation and stagger the launch of these new funds so they can be managed operationally, as well as incorporating an allowance for differences in accounting treatment for grants contracts awarded;

[33]

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: First Media Support Package: Allowance for Impairment of Outstanding Debt

Description: This initiative is to allow for the write-off of debt from loans issued in the First Media Support Package.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	(0.250)	0.250	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(0.250)	0.250	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Other Expense:					
Impairment of Debt and Debt Write-Offs	-	0.250	-	-	-
Multi-Category Expenses and Capital Expenditure:					
COVID-19: Media Sector Response and Recovery (MCA)					
<i>Non-Departmental Other Expense:</i>					
Grants and Subsidies	(0.250)	-	-	-	-
Total Operating	(0.250)	0.250	-	-	-

Additional recommendation

15 **noted** that this initiative impacts on the operating balance in each financial year, but is fiscally neutral over the two-year period;

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: New Zealand Screen Production Grant – New Zealand

Description: This initiative creates a new multi-year appropriation to supersede the existing multi-year appropriation, which is set to expire on 30 June 2021.

New appropriation approval

Name	Period	Type	Category Name	Scope
New Zealand Screen Production Grant – New Zealand	Multi-Year Appropriation Start: 1/07/2021 Finish: 30/06/2025 Amount (\$m): 75.500	Non-Departmental Other Expenses	N/A	This appropriation is limited to providing grant assistance or equity investments for New Zealand screen productions that meet the qualifying tests as determined by the New Zealand Film Commission.

Appropriation changes

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact	-	-	-	-	-	-
Debt Impact	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	-	-	-	-	-

	\$m - increase/(decrease)					
	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expense:						
Promotion and Support of the Arts and Film	-	(37.250)	(12.750)	(12.750)	(12.750)	-
Non-Departmental Other Expense:						
New Zealand Screen Production Grant – New Zealand (MYA)	-	37.250	12.750	12.750	12.750	-
Total Operating	-	-	-	-	-	-

Additional recommendations

- 16 **agreed in principle** that any funding in the current multi-year appropriation New Zealand Screen Production Grant – New Zealand that remains unspent at 30 June 2021 be transferred to the new multi-year appropriation New Zealand Screen Production Grant – New Zealand, **subject to** confirmation of the final amount for transfer by the Minister of Finance and the Appropriation Minister following completion of the Ministry for Culture and Heritage's 2020/21 audited financial statements;
- 17 **agreed** that the multi-year appropriation New Zealand Screen Production Grant – New Zealand is adjusted by \$75.500 million;
- 18 **noted** that amounts shown in the appropriations changes table for the multi-year appropriation: New Zealand Screen Production Grant – New Zealand are the changes to the indicative annual spending profile;

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Premium Productions for International Audiences Fund: Delivery of Grants

Description: This initiative transfers a portion of funding previously allocated to the Premium Productions for International Audiences Fund to enable relevant agencies to manage delivery of grants.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expense:					
Promotion and Support of the Arts and Film	0.500	-	-	-	-
Non-Departmental Other Expense:					
New Zealand Screen Production Grant - New Zealand (MYA)	(0.500)	-	-	-	-
Total Operating	-	-	-	-	-

Additional recommendations

- 19 **agreed** that the multi-year appropriation: New Zealand Screen Production Grant – New Zealand is adjusted by \$(0.500) million;
- 20 **noted** that amounts shown in the appropriations changes table for the multi-year appropriation: New Zealand Screen Production Grant – New Zealand are the changes to the indicative annual spending profile.

Vote: Arts, Culture and Heritage

Appropriation Administrator: Ministry for Culture and Heritage

Title: Strong Public Media Programme: Detailed Business Case and Consultation

Description: This initiative is to complete the detailed business case to examine the viability of establishing a new, fit-for-purpose public media entity and to undertake public engagement to inform advice on a Charter for the proposed new entity that meets the needs and expectations of New Zealanders in the 21st century. This phase of activity will be overseen by a Cabinet-appointed Governance Group and is expected to be considered by Cabinet in October 2021.

Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Non-Departmental Output Expense:					
Public Broadcasting Services	(3.262)	-	-	-	-
Non-Departmental Other Expense:					
COVID 19: Transmission and Other Fees on Behalf of Media Organisations	(1.600)	-	-	-	-
Multi-Category Expenses and Capital Expenditure:					
COVID-19: Media Sector Response and Recovery (MCA)					
<i>Non-Departmental Other Expense:</i>					
Grants and Subsidies	(1.100)	-	-	-	-
Policy Advice, Monitoring of Funded Agencies and Ministerial Services (MCA)					
<i>Departmental Output Expense:</i>					
Policy Advice (funded by revenue Crown)	5.962	-	-	-	-
Total Operating	-	-	-	-	-