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Minister of Broadcasting, Communications and Digital Media

Strengthening Public Media

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Title: Strengthening Public Media: Report Back (January 2020)

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Office of the Minister of Broadcasting, Communications and Digital Media

Chair, Cabinet

Strengthening Public Media: Report Back

Proposal

1. This paper seeks agreement in principle, subject to the completion and Cabinet approval of a satisfactory detailed business case s9(2)(f)(iv)
s9(2)(f)(iv), to:
 - 1.1. establish a new public media entity and ultimately disestablish Radio New Zealand Ltd (RNZ) and Television New Zealand Ltd (TVNZ), and
 - 1.2. confirm NZ On Air's continued role in providing contestable funding for public media content and services in a way that complements the new entity and supports the wider media sector.

Executive Summary

2. New Zealand media are increasingly unable to meet the needs and interests of our dynamic and diverse population. Increased competition from international content providers, declining revenue shares, and a transformation in audience behaviour are driving changes in the media's operating environment. These factors are resulting in a fragile media system with a reduced ability to inform, educate and entertain New Zealanders with a range of trusted and relevant, culturally-specific content. In this context, there is an increasing risk of market failure for the provision of quality local content in certain genres.
3. The current mandates, objectives and funding arrangements of NZ On Air, RNZ and TVNZ are not aligned and constrain their ability to respond collectively to digital disruption. Having a strong public media that provides a range of trusted news, information and entertainment is vital to the health and vibrancy of New Zealand society, particularly if services provided by private media contract.
4. In August 2019, Cabinet confirmed the need to strengthen public media and agreed to investigate three options for this purpose. I have now considered the approach recommended by the Chief Executive's Advisory Group that was convened to develop advice on the options.
5. This paper sets out a strategic approach to optimise the value Government gets from its investment in public media and to contribute to a set of public media outcomes. This strategy would build a strong public media so that current and future generations of New Zealanders can have access to quality content that reflects their languages, experiences and communities.

6. I propose that Government agree in principle to establish a new public media entity and confirm NZ On Air's continued role in providing contestable funding for public media content and services.
7. The new entity would be created by legislation that would include a charter that clearly defines its public media purpose and mandate. In particular, it would define principles and objectives to direct its operation as a public media entity. There are a number of domestic and international examples of charters that define core characteristics of public media entities, for example those of RNZ, the BBC in the United Kingdom, and the ABC in Australia. These precedents will be useful resources to inform the provisions of the establishing legislation for the new entity, which will need to ensure the new entity can meet the distinct needs of New Zealand audiences.
8. The new entity would draw on existing capability and capacity from RNZ and TVNZ, which would ultimately be disestablished. It would operate as a not-for-profit entity with a mixed funding model comprised of Crown funding and non-Crown revenue. All aspects of its operations, regardless of revenue source, would contribute to its public media mandate. Core news services that are currently advertising-free will continue to be advertising-free; for example, the new entity will continue to provide an advertising-free radio news service as is currently provided by RNZ.
9. This approach will establish a local public media entity that is multi-platform, agile and has greater scale to be better positioned to respond to ongoing digital transformation and to deliver for audiences. It will create a comprehensive and visible "home" for the stories we care about as New Zealanders and meet audience expectations that they can access content across platforms when and how they choose.
10. The Government recognises the risk arising from the proliferation of inaccurate information intended to mislead audiences. In this context, a strong public media entity with statutory editorial independence is an important way to ensure access to an in-depth range of trusted and impartial news and high-quality journalism with a local perspective.
11. I recommend that Cabinet direct officials to complete a detailed business case before final decisions on the preferred approach, including funding, are confirmed. The detailed business case will provide an opportunity to assess key options and choices around the design of the new entity, its operating model, and its relationship with the NZ On Air funding model. The business case will need to explore design options for Cabinet's consideration that can ensure that the combination of Crown and non-Crown revenue does not compromise the ability of the entity to fulfil its public media mandate, in particular if non-Crown revenue declines. The business case will also analyse the viability of the proposal, whether it will achieve the outcomes sought, what is required to implement it, and the costs.
12. Implementing this approach will be a complex, multi-year process given the scale of the proposed changes. It will require careful management and access to requisite skills and capability through each phase to be successful. The process will entail legislative change, organisational design, change management and substantial Crown funding.

s9(2)(f)(iv)

13. I intend to complete a detailed business case within a compressed timeframe to facilitate a timely report back to Cabinet in July 2020. This report back will also seek the policy approvals necessary to develop drafting instructions for the establishing legislation for the new entity, including those needed to develop its charter.

Background

14. In August 2019 Cabinet agreed that the Minister of Broadcasting, Communications and Digital Media would lead a project to investigate the following three options for strengthening public media, and invited the Minister to report back in November 2019 with a preferred option (CAB-19-MIN-0398.02):
 - 14.1. a combined public media service incorporating TVNZ and RNZ;
 - 14.2. consolidating the news services of TVNZ and RNZ; and
 - 14.3. substantially increasing funding for NZ On Air.
15. Cabinet also agreed to adopt a set of public media goals as Government goals to guide policy decisions and funding allocation for public media. These goals have informed the development of outcome statements to assess the options for strengthening public media.
16. A Chief Executive's Advisory Group (the Advisory Group), supported by a Working Group, was established to assist my officials with the development of advice on these options. The Advisory Group consisted of representatives from the Ministry for Culture and Heritage (MCH), The Treasury, the State Services Commission, the Department of the Prime Minister and Cabinet, Te Puni Kōkiri, the Ministry for Pacific Peoples, RNZ, TVNZ and NZ On Air. Dr Gavin Ellis, former editor-in-chief of the *New Zealand Herald* and a leading media academic and commentator, advised the group as an independent media expert.

The context for change

17. Media institutions make a unique contribution to the health and vibrancy of democratic societies. They have a role in holding power to account and supporting the ability of citizens to participate in an informed democracy. Media provide a diverse range of entertainment, news and information for audiences and reflect the languages, experiences and communities of nations. The importance of credible and independent media is reflected in the fact that all modern pluralistic democracies have some form of publicly funded media.
18. Globally, media entities are experiencing an increasingly constrained financial environment, rapid technology change and changing consumer preferences. Governments around the world are responding to these issues in a variety of ways.
19. Traditional media's share of available revenue is reducing substantially due to increased competition from global digital platforms. While digital advertising revenue is growing rapidly, advertising on traditional media platforms is in steep decline.

Newspapers and television especially are not able to compete with the data capabilities and economies of scale advantages of new digital platforms.¹

20. Print media has been affected the most by declining revenues, which has placed the production and distribution of public interest news from the private sector under strain. In recent years many regional news titles have closed, and newsrooms are facing staff reductions and diminishing capacity to provide comprehensive news coverage. Television too is under pressure. MediaWorks has recently announced its intention to sell its television arm. TVNZ's revenue is decreasing and is forecast to continue to decline. Its commercial revenue has been a means of funding the creation of local content to date.
21. At the same time, the advent of on-demand and online content providers in the New Zealand market has diversified consumer choice and increased competition for audience attention. On a weekly basis, the percentage of New Zealanders who used a streaming video on-demand service has grown from 12% in 2014 to 63% in 2018, and the percentage who watched online video (e.g. Facebook and YouTube) has grown from 49% to 72%.² These trends are significantly more pronounced within younger audiences. Many of these new services are from international providers (e.g. Netflix, YouTube, Facebook, Amazon) with a focus on international content.
22. Within public media, RNZ and NZ On Air have received time-limited funding increases in Budgets 2018 and 2019, and RNZ received a small baseline increase in Budget 2017. Before these increases, both entities had static funding for close to a decade that constrained their ability to respond to changes in their operating environments.
23. Even prior to changes brought about by digital disruption, New Zealand's small market size made it vulnerable to market failure in relation to quality local content. This vulnerability has been heightened by the emerging dominance of global digital platforms.

Problem definition and outcome statements

24. In this context, the Advisory Group has confirmed that the status quo is unsustainable. It developed the following problem definition to identify the key drivers for change that should guide any changes to public media arrangements:
 - 24.1. New Zealand media are increasingly unable to meet the needs and interests of New Zealand's dynamic and diverse population. The availability of digital content from international platforms has increased audience choice and changed when and how they access media content. This increased competition has significantly reduced the share of revenue (advertising, subscription and sponsorship) available to New Zealand media. In addition, public media funding has remained static, meaning that this funding is diminishing in real terms. Further, public funding for New Zealand content has not kept pace with the cost of production.

¹ In 2018, total New Zealand digital advertising revenue was approximately \$1.06 billion, of which approximately \$903 million went to digital only services, principally Google and Facebook. (Source: 2018 Advertising Turnover, Advertising Standards Authority, <https://www.asa.co.nz/2019/05/01/2018-advertising-turnover/>.)

² *Where Are the Audiences? 2018*, NZ On Air, <https://www.nzonair.govt.nz/research/where-are-audiences-2018/>.

- 24.2. These factors are resulting in a fragile media environment, characterised by reduced resourcing, declining availability of New Zealand content relative to international content, and uncertainty about the longer-term viability of advertising-funded media outlets in New Zealand.
- 24.3. The current mandates, objectives and funding arrangements of NZ On Air, RNZ and TVNZ are not aligned and constrain their ability to respond collectively to digital disruption, and ultimately to inform, educate and entertain New Zealanders with a range of trusted and relevant, culturally-specific content.
25. I recommend Cabinet agree that Government investment in public media should support public media entities to contribute to the following outcomes that were developed by the Advisory Group:
- 25.1. New Zealand audiences choose to access mainstream and targeted content and services that support:
- 25.1.1. their needs and interests as people living in Aotearoa, and which in particular reflect the language and experiences of Māori and Pacific peoples, and other under-served audiences;
 - 25.1.2. their ability as New Zealanders to be informed and engaged members of our participative democracy and open civic society;
 - 25.1.3. their access to a range and diversity of content that they value and trust.
- 25.2. Public media in New Zealand are:
- 25.2.1. operationally and editorially independent;
 - 25.2.2. securely and sustainably funded;
 - 25.2.3. able to respond effectively to an evolving operating environment and relevant to changing consumer preferences, in particular younger audiences;
 - 25.2.4. complementary to and collaborative with private media.
- 25.3. Public media play an integral role in contributing to New Zealand being:
- 25.3.1. a connected, informed, cohesive, and independent nation;
 - 25.3.2. a healthy, participative democracy;
 - 25.3.3. confident in, and aware of our unique identity, cultures, and languages.
26. These outcomes would contribute to the Government's priorities of supporting healthier, safer and more connected communities; building closer partnerships with Māori; valuing who we are as a country; and creating an international reputation we

can be proud of. They would also contribute to the Living Standards Framework wellbeing domains of civic engagement and governance, cultural identity, social connections, knowledge and skills, and subjective wellbeing.

27. The outcomes are also vital to the priority of ensuring there is more quality local broadcast content as stated in *Our Plan – The Government’s Priorities for New Zealand*.

Strategic approach to developing advice

28. Cabinet’s direction to develop advice on options to strengthen public media has provided an opportunity to take a system-wide strategic approach. To ensure that the Crown can optimise the value it gets from its investment in public media, the advice considered potential changes across the wider public media system rather than analysing each option in isolation.
29. The Advisory Group explored a range of options that could be developed and implemented in different ways. Options were tested against the problem definition and outcome statements. The expertise and resources of the contributing agencies have been indispensable in identifying an approach with the best potential to address the problem definition.
30. The needs and interests of current and future audiences have been at the centre of considering these options. A key objective has been to ensure that any recommendation is future-focused, delivers greater value to audiences, and supports public media to respond to the changing needs and increasing cultural diversity of New Zealand’s population. The design of the new entity would be focused on audiences rather than platforms.
31. Audiences are exercising an increased choice over how and where they access content, and both public and private media need to respond to these changes to compete for audiences. It is difficult for Government to mitigate all the impacts of this disruption, especially on private media. I have therefore sought to focus on options that would ensure New Zealand has well-resourced public media with the mandate and independence to deliver on the outcome statements. The contribution public media entities make to these outcomes may assume even greater significance if there is further contraction in the services provided by the domestic private media sector.
32. At the same time, I recognise that private media make a valuable contribution to public media outcomes by providing for a variety of audience needs and a diversity of views and perspectives. The preferred approach therefore provides for contestable funding to continue supporting private media’s contribution to these outcomes. In addition, funding will be continued for other services such as community radio and disability services.
33. This approach also recognises that media is a key means of revitalising Māori language and culture. The Government is committed to supporting the advancement of the Maihi Karauna strategy, including creating the conditions for te reo Māori to be valued by Aotearoa whānui as a central part of national identity. To optimise the

value of the Crown's public media investment, any option progressed as part of this process should be aligned with the goals of the Māori Media Sector Shift.

Preferred approach to strengthen public media

34. My preferred approach is to establish a new public media entity and to confirm NZ On Air's continued role in providing contestable funding for public media content and services in a way that complements the new entity and supports the wider media sector.
35. The preferred approach was developed in consultation with the chief executives of NZ On Air, RNZ and TVNZ. From the three options agreed by Cabinet, this approach was recommended as the optimal way of promoting and preserving the value public media provides for New Zealanders.
36. The new entity would be created by legislation that includes a charter that clearly defines its public media purpose and mandate. It would have core functions consistent with globally recognised public media entities, including the provision of public media services across a variety of platforms.
37. The new entity would have a mixed funding model comprised of Crown funding and non-Crown revenue s9(2)(f)(iv) s9(2)(b)(ii), and it would operate on a not-for-profit basis. All aspects of its operations, regardless of revenue source, would contribute to its public media purpose. Core news services that are currently advertising-free will continue to be advertising-free; for example, the new entity will continue to provide an advertising-free radio news service as is currently provided by RNZ. The nature and extent of the entity's overall news service will be defined during the design phase of the new entity. The new entity could achieve economies of scale across platforms and support the development of shared services and infrastructure in a cost-effective way.
38. Following the establishment of the new entity, RNZ and TVNZ would ultimately be disestablished. The new entity would draw on the existing capability and capacity of RNZ and TVNZ in the first instance. It is likely that additional capability would be required beyond that which could be secured from RNZ and TVNZ. Some existing capability and capacity within RNZ and TVNZ may not be required by the new entity, for example there may be some duplication of back office resource. RNZ and TVNZ currently have different company cultures. Creating a new entity provides an opportunity to cultivate a strong unified culture that serves the public interest and prioritises audience needs. Realising this opportunity will require strong board leadership and a cohesive and effective strategy.
39. Initial analysis, in consultation with the State Services Commission and The Treasury, has shown that an autonomous Crown entity or a Crown entity company are the most appropriate options for the organisational form of the new entity. These models could ensure the new entity had appropriate operational and editorial independence and was able to derive funding from Crown and non-Crown revenue streams. The entity would have standard accountability requirements under the Crown Entities Act 2004 and appropriate monitoring, and it would be subject to the level of Ministerial direction relevant to its legal form.

40. The contribution of the new entity would be supported by the retention of the NZ On Air contestable funding model, which transparently allocates funding for public media content and services. NZ On Air's model supports plurality, the independent production sector and the creative economy, and competition for innovation and good ideas in relation to content. In addition, it funds services such as access radio, regional and Pacific media, and disability services.
41. The contestable funding model administered by NZ On Air should be designed to optimise the relative contributions that it and the new entity make to the public media outcomes. The funding model could complement the new entity by:
 - 41.1. providing funding for private and community media to support their contribution to public media outcomes;
 - 41.2. funding content and services to ensure that the diverse range and needs of New Zealand audiences are met;
 - 41.3. minimising the risk that the new entity becomes the sole provider of New Zealand content;
 - 41.4. providing research on audience and sector trends.

Characteristics of public media

42. The new entity would be a public media entity with a clearly defined purpose and mandate. A core characteristic of a public media entity is that it is mandated by government to serve the public good through production and dissemination of content that:
 - 42.1. contributes to living in a participative democracy and exercising democratic rights;
 - 42.2. acknowledges and enhances cultural and social values;
 - 42.3. contributes to personal wellbeing by informing, educating and entertaining.
43. The most significant dimension of a public media entity is the purpose for which it exists. It exists to create social value or shared benefits for the nation and communities that it serves and to ensure that all members of those communities are informed, educated and entertained. The focus of its operations is not to maximise revenue but to contribute to wider social goals and outcomes. It does not exist to return a dividend on investment to its owners but is subject to standard Government expectations of responsible financial management.
44. As is the case with RNZ and TVNZ, a public media entity would also operate in a legal environment that provided protection for editorial independence, freedom of speech, and the ability to hold power to account, which is a key role of the fourth estate. Transparency of operations and financing is an important means of reinforcing this protection.

45. The fundamental principles and objectives of public media organisations are typically established in foundation documents, for example the charters of RNZ, the BBC and ABC.

Benefits of preferred approach for New Zealanders

46. I consider that the proposed approach will allow the Government to optimise its investment in public media by establishing a local public media entity that is multi-platform, agile and has greater scale to be better positioned to respond to ongoing digital transformation and to deliver for audiences. It would provide an in-depth range of trusted and impartial news and information and tell the stories we care about as New Zealanders. In particular, this approach will provide quality local content where a market failure might otherwise exist, such as drama, scripted comedy, long-form journalism, news and current affairs, and documentaries.
47. The dual components of the preferred approach (a new entity complemented by contestable funding) have the potential to benefit New Zealanders by:
- 47.1. offering a comprehensive and visible “home” for New Zealand content with valued and trusted brand(s), while supporting private media to provide local content through contestable funding;
 - 47.2. serving the interests and information needs of various age groups within the whole national audience, including those sections of the audience that are currently under-served in terms of access to and quality of content;
 - 47.3. meeting audience expectations that they can access content, some of which is advertising-free, when and how they choose through an integrated, multi-platform approach;
 - 47.4. providing trusted and impartial news and information;
 - 47.5. creating value for New Zealanders who may not directly access the content but may benefit from its existence and use by others;
 - 47.6. showcasing New Zealand talent and supporting a thriving creative community;
 - 47.7. creating a durable, flexible and resilient entity able to respond effectively in the medium to long term to further changes in the media operating environment.
48. In addition, the Government recognises the risk arising from the proliferation of inaccurate information intended to mislead audiences. In this context, a strong public media entity with statutory editorial independence is an important way to ensure access to an in-depth range of trusted and impartial news and high-quality journalism with a local perspective.

Other options that were assessed

49. In assessing the options agreed by Cabinet for investigation, consideration was also given to the creation of a fully publicly funded public media entity. I consider it prudent to continue to generate non-Crown revenue to support Crown funding and get the best value for taxpayers.

50. I do not consider a combined news service to be an adequate solution as a standalone option. The limited extent to which this option would have addressed the problem definition is not proportionate to the risk and disruption that would have been incurred in its implementation. A single entity would be better able to realise the scale and efficiency gains in news services while achieving a broader set of outcomes.
51. Increasing NZ On Air funding alone would not be sufficient to address the problem definition as it would not maximise the value derived from the Government's public media assets. As outlined above, however, continued contestable funding is a component of the preferred approach as it makes a beneficial contribution to the outcomes in a way that is distinct from and complementary to a new public media entity.

Potential impact of the preferred approach

52. I have considered at a high level the potential impact of this approach on the current contestable funding model, the Māori media sector, and private media organisations. I have also considered opportunities to enhance the public media offering for Pacific audiences.

53. s9(2)(f)(iv)

Contestable funding model

54. The preferred approach would be designed to optimise the relative contributions to the public media outcomes made by a funding entity and a new public media entity. The current funding model may need to be modified in order to operate effectively in conjunction with the new entity. Detailed consideration of the relationship between the two entities would need to be worked through as part of a detailed business case, once the mandate and structure of the new entity has been further defined.

Māori media sector

55. To achieve the public media outcomes, a strengthened public media system must be able to deliver for Māori audiences, including te reo Māori content. Additionally, to optimise the Government's investment in the wider public media system, the new entity and the Māori media sector should operate in a way that they can contribute collectively to shared goals and outcomes. The design of the new entity should recognise that public media and Māori media have distinct but complementary roles in ensuring Māori language and cultural content is delivered for targeted and general audiences alike.
56. Achieving the public media outcomes will also contribute to the Maihi Karauna outcome of Aotearoatanga – Nationhood, that te reo Māori is valued by Aotearoa whānui as a central part of national identity. A medium term priority for this outcome is that more people engage with quality broadcast and online content in te reo Māori. The new public media entity and the wider public media system will have an important role in contributing to this priority.

57. The Minister for Māori Development is leading the Māori Media Sector Shift to ensure New Zealanders have access to media that promotes and demonstrates the use of te reo Māori me ngā tikanga, promotes te ao Māori, and tells Māori stories in Māori ways.
58. The preferred approach has the potential to normalise te reo Māori and contribute to te reo Māori me ngā tikanga being a valued part of our national identity by supporting more New Zealanders to engage with quality Māori language and cultural content. I propose that officials be directed to work together to identify how shared outcomes can be best achieved and to identify opportunities for collaboration between public and Māori media.

Pacific media sector

59. Media is also a key means of revitalising Pacific languages, culture and identity. Limited support for Pacific media to date means that it has not kept pace with technology and audience change and is not currently in a good position to deliver on future opportunities.
60. The Pacific Aotearoa Lalanga Fou focuses on thriving Pacific languages, culture and identities and will lead a revitalised effort to improve the ability of Pacific languages and cultures to become an increased asset for both Pacific communities and Aotearoa as a whole. Officials are exploring how support for Pacific media and broadcasting can be improved as part of this approach.

Private media organisations

61. Further detail on a preferred operational model for the new public media entity will be required before the impact on private media organisations can be assessed. I propose that an objective of the organisational design for the new entity be to minimise any negative impact on private media and optimise the opportunities for the new entity to collaborate with and complement private media in relation to public media content.
62. In addition, retaining the contestable funding model will support the ability of private and community media to contribute to public media outcomes.

Detailed business case to confirm the preferred approach

63. At a strategic level, this paper seeks agreement that change to the status quo is required to support public media to respond to the impact of global disruption and to realise the value that public media should deliver for New Zealanders. I am seeking agreement in principle to the recommended approach subject to the completion and Cabinet approval of a satisfactory detailed business case to test its viability before final decisions and funding can be confirmed.
64. Implementing the preferred approach will require legislation to create the new entity and ultimately to disestablish RNZ and TVNZ. It will also require significant Crown funding to establish and operate the new entity.
65. The scale and magnitude of change proposed by this approach mean it falls within the scope of the Cabinet Office circular CO (19) 6, Investment Management and

Asset Performance in the State Services, which sets out the appropriate process to support Ministers to make decisions on multi-year investment proposals that have a medium to high risk profile.

66. If Cabinet agrees in principle to the preferred approach, then I recommend officials be directed to complete a detailed business case to provide assurance that this approach provides the best viable solution to the challenges facing public media entities, that it will deliver the proposed outcomes, and that it is affordable.
67. In advance of making final decisions, the completed detailed business case will allow Ministers to test:
- 67.1. the economic, financial, commercial and management viability of the proposal;
 - 67.2. what is required to implement the proposal successfully, including managing the interim period before the establishment of the new entity;
 - 67.3. the cost of developing, implementing and operating the preferred option.
68. I recommend that Cabinet direct the detailed business case to identify key options and choices around the design of the entity, its operating model (including any options to optimise its commercial revenue consistent with its role as a public media entity), its relationship with the NZ On Air funding model, and its organisational form (either an autonomous Crown entity or a Crown entity company).
69. The Advisory Group recognised that the new entity would need to be equipped to operate effectively in scenarios where its non-Crown revenue increased, declined or remained stable. The business case will need to explore design options that can ensure that the combination of Crown and non-Crown revenue does not compromise the ability of the entity to fulfil its public media mandate, in particular if non-Crown revenue declines. [REDACTED] s9(2)(f)(iv) s(9)(2)(b)(ii) [REDACTED] s9(2)(f)(iv) s(9)(2)(b)(ii) [REDACTED] s9(2)(f)(iv) s(9)(2)(b)(ii) [REDACTED] Each of these options will have varying cost implications, but all options will require additional investment beyond current levels.³
70. The detailed business case will also allow Cabinet to test the ability to implement the preferred approach in ways that are consistent with achieving Government's outcomes in relation to Māori media and Pacific audiences. It will test how the preferred approach could be implemented to minimise any negative impact on private media and optimise the opportunities for the new entity to collaborate with and complement private media.
71. In addition, the detailed business case will provide a means of accessing a broader level of stakeholder engagement beyond the entities that have been involved to date.
72. I intend to complete the detailed business case within compressed timeframes to enable a report back to Cabinet in July 2020. I will consult the Minister of State

³ The current costs of operating TVNZ, RNZ and NZ On Air are approximately \$450 million. Crown funding accounts for approximately \$150 million of this amount.

Services on any machinery of government proposals to be included in the report back. The report back will also seek the policy approvals necessary to develop drafting instructions for the establishing legislation for the new entity, including the high level purpose and mandate that will inform the development of its charter.

Supporting the entities during the interim period

73. Establishing a new public media entity will be a multi-year process. It will take some time to design the new entity and put establishing legislation in place. The features of the current media environment that drive the need for change will continue to impact on the sector in the interim. The entities will need to be supported to respond to those changes in ways that preserve the viability of the preferred approach.
74. TVNZ, RNZ and NZ On Air will continue to deliver services to New Zealand audiences under their current statutory frameworks during this interim period. It will be important that their strategic decisions maintain their ability to operate effectively and to contribute to the establishment of the new entity.
75. Interim arrangements would help TVNZ, RNZ and NZ On Air to manage any tensions between their current strategies and the Government's intention to establish the new entity. Interim arrangements would also provide a measure of certainty to interested parties (e.g. boards, employees, commercial partners) on the Government's commitment to this policy.
76. Officials have identified a range of mechanisms to create interim arrangements:

76.1. letters of expectations to the boards;

s9(2)(f)(iv) s(9)(2)(b)(ii)

77. I recommend that letters of expectations be used in the first instance to provide clarity on the Government's expectations of TVNZ, RNZ and NZ On Air through the next phases of work.
78. Officials will monitor the entities' ability to manage their existing obligations in ways that support the establishment of the new entity. In the event that the entities require a greater level of certainty than can be achieved through letters of expectations alone, I will assess if further options may require consideration, s9(2)(f)(iv)

Governance arrangements

79. Governance arrangements will be needed for the next phase of work to ensure appropriate oversight. Once I have considered appropriate arrangements, I will invite relevant Ministers to participate on a Ministerial oversight group.

80. Officials will continue to draw on the expertise of the members of the current Advisory Group to progress the next phase of work.

Scope of policy advice

81. This work has considered the options approved by Cabinet to strengthen public media. It was not within the scope of this project to consider changes to wider legal and regulatory policy settings, such as copyright and licence conditions, that could have a beneficial impact on New Zealand media. I note the Ministry of Business, Innovation and Employment is leading work to review the Copyright Act 1994, which provides an opportunity for media entities to provide feedback on current copyright settings.
82. It was also outside the scope of this project to consider options pertaining to Māori and Pacific public media entities as work in these areas is being progressed separately. It was agreed, however, that any options developed would be consistent with the goals of that work.
83. Private media entities, such as newspapers, commercial radio and commercial television, were also out of scope.

Risks

84. Due to the scale of change and investment proposed in this approach, each phase of implementation and execution will present specific challenges and complexities that will require careful management and access to requisite skills and capability.
85. The proposed approach is a system level solution that will take multiple years to implement. The implementation will take place in the dynamic operating environment outlined in the problem definition, which creates a risk that the proposed solution will be overtaken by further change in the sector that renders it less effective or in need of modification.
86. Treasury has highlighted the risks of completing a detailed business case of this level of complexity within a compressed timeframe (refer to Treasury comment below). I consider that the scale and pace of change in the media sector creates a need for this work to be progressed quickly. An expedited business case will allow Cabinet to reach final decisions on implementing the preferred approach and provide certainty to the sector on the Government's policy direction by mid-2020.
87. I acknowledge that a compressed timeframe will create choices around the level of analysis, scope of issues and breadth of stakeholder engagement that can be undertaken in the detailed business case. For that reason, I propose that the business case be confined to assessing the best means of implementing the preferred approach rather than fully assessing alternative options. The report back will identify any issues that could not be fully assessed in the time available.

Treasury comment

Risks associated with the proposal

88. Creating a new public media entity from TVNZ and RNZ will be challenging as it requires combining two quite different company cultures and two entities that have very different mandates. The success of the proposal will likely depend on its new CEO, its new Board, how employees buy in to the new strategy and how the entity engages with audiences. It will also depend on the new entity having a clear mandate that meets Ministers' objectives and that allows the new entity to successfully transition over time from RNZ and TVNZ's current mandates. All of which are risks that need to be carefully managed.
89. The proposed July 2020 report back date for the detailed business case will require it to be completed by the end of May 2020. This is a compressed timeframe for a complex initiative, especially when it has not been informed by a full indicative business case.
90. In Treasury's view, there are significant risks involved with the proposed timeline. There is an evidence base that shows the outcomes of business cases undertaken in compressed timeframes, where some steps have been scaled back or omitted, can result in key risks being missed which can jeopardise the successful implementation of the change initiative.
91. Due to the risks associated with the compressed business case process, including completing only a partial indicative business case, we think it is important to provide more clarity, at this stage, about what will be tested through the detailed business case process. This provides Ministers a sense of the trade-offs involved in meeting public media objectives while being affordable. We consider that the detailed business case should analyse at least the following options, each of which will have varying cost implications, but all of which will require additional investment beyond current levels:

s9(2)(f)(iv) s(9)(2)(b)(ii)

Consultation

92. The following departments have been consulted on this paper: The Treasury, State Services Commission, Te Puni Kōkiri, Ministry for Pacific Peoples, the Ministry of Business, Innovation and Employment, the Ministry of Foreign Affairs and Trade and the Office of Ethnic Communities. The Department of the Prime Minister and Cabinet has been informed.
93. NZ On Air, RNZ and TVNZ were involved in the development of the advice that informs this paper.

Financial Implications

94. There will be costs to establish the new public media entity and operating funding required to support it to deliver on its mandate. The detailed business case will test design choices and the extent to which they would create trade-offs between the level of Crown funding required and the level of service provided to New Zealanders.

s9(2)(f)(iv)

98. The next phase of work will include contracting the development of a detailed business case to inform a final decision on whether a new public media entity should be established. A programme office will be established to lead this work.
99. The costs of the detailed business case have been determined via a request for proposals from potential suppliers of this service. Other costs are itemised.

Activity	2019/2020 (\$m)
Business case development	s(9)(2)(b)(ii)
Gateway and Independent Quality Assurance	
Programme office (Project director, project manager, project administrator)	
Additional policy and legal resource (3 FTEs)	
Total	0.965

100. MCH cannot meet all of the costs of this next phase from baselines but can contribute \$0.365 million by reprioritising departmental underspends. The balance of \$0.600 million can be met via transfers of funding from elsewhere in Vote Arts, Culture and Heritage.

Legislative Implications

101. A new public media entity would require new establishing legislation and the repeal of the Television New Zealand Act 2003 and Radio New Zealand Act 1995. Amendments to the Broadcasting Act 1989 and other Acts would be required.

102. I will return to Cabinet in July 2020, once a detailed business case on the preferred approach has been completed, to seek agreement to the policy for any legislative changes required for implementation.

Impact Analysis

103. A Quality Assurance panel with representatives from The Treasury, the Department of Internal Affairs and the Ministry for Primary Industries has reviewed the Regulatory Impact Summary “Strengthening Public Media” produced by the Ministry for Culture and Heritage.
104. The panel considers that the information and analysis summarised in the RIA meets the quality assurance criteria. The RIA provides a clear context, description of the constraints on the analysis contained within it and the rationale for the preferred approach. The panel notes that this analysis supports in-principle decisions, and that a detailed business case will be undertaken to inform more detailed regulatory impact analysis when final decisions are sought. More work will also need to be done on analysing the preferred option against objectives and decision criteria.
105. An impact analysis will be completed for the report back to Cabinet in July 2020. It will be informed by the outcome of the detailed business case on the preferred approach.

Human Rights

106. This paper makes no proposals that are inconsistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. The preferred approach is consistent with the values enshrined in these Acts.

Gender Implications

107. This paper makes no proposals with negative gender implications.

Disability Perspective

108. This paper makes no proposals with negative implications from a disability perspective.

Publicity

109. I intend to make an announcement following Cabinet decisions on this paper. The announcement will describe the strategic case for change and the preferred approach to establish a new public media entity and to confirm NZ On Air’s continued role in providing contestable funding for public media content and services, subject to the completion of a detailed business case.
110. The announcement will likely prompt questions and scrutiny from private media about the nature and operating model of the new entity and the impact it may have on their operating environment. These questions will be addressed through the detailed business case process. There will be clear messages about the scope of the announcement.

111. The announcement will also provide clarity about non-commercial services, i.e. that the new entity will continue to provide an advertising-free radio news service as is currently provided by RNZ.

Proactive Release

112. I intend to release this paper proactively when the announcement is made. Proactive release is subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister of Broadcasting, Communications and Digital Media recommends that the Committee:

Strategic context for Government's investment in public media

1. **note** that both private and public media institutions make a unique contribution to the health and vibrancy of New Zealand society by supporting citizens to participate in an informed democracy and providing a diverse range of entertainment and information for audiences;
2. **note** that digital disruption has led to New Zealand media being increasingly unable to meet the needs and interests of New Zealand's dynamic and diverse population;
3. **note** that the current mandates, objectives and funding arrangements of NZ On Air, RNZ and TVNZ are not aligned and constrain their ability to respond collectively to digital disruption, and ultimately to inform, educate and entertain New Zealanders with a range of trust and relevant, culturally specific content;
4. **agree** that Government is committed to ensuring that future generations of New Zealanders can access content that reflects their languages, experiences and communities in ways that meet their needs and interests;
5. **agree** that Government investment in public media should support public media entities to contribute to the following outcomes:
 - 5.1. New Zealand audiences choose to access mainstream and targeted content and services that support:
 - 5.1.1. their needs and interests as people living in Aotearoa, and which in particular reflect the language and experiences of Māori and Pacific peoples, and other under-served audiences;
 - 5.1.2. their ability as New Zealanders to be informed and engaged members of our participative democracy and open civic society;
 - 5.1.3. their access to a range and diversity of content that they value and trust.
 - 5.2. Public media in New Zealand are:
 - 5.2.1. operationally and editorially independent;

- 5.2.2. securely and sustainably funded;
 - 5.2.3. able to respond effectively to an evolving operating environment and relevant to changing consumer preferences, in particular younger audiences;
 - 5.2.4. complementary to and collaborative with private media.
- 5.3. Public media play an integral role in contributing to New Zealand being:
- 5.3.1. a connected, informed, cohesive, and independent nation;
 - 5.3.2. a healthy, participative democracy;
 - 5.3.3. confident in, and aware of our unique identity, cultures, and languages.

Preferred approach to strengthen public media

6. **note** that on 12 August 2019 Cabinet agreed that the Minister of Broadcasting, Communications and Digital Media would lead a project to investigate three options for strengthening public media (CAB-19-MIN-0398.02):
- 6.1. a combined public media service incorporating TVNZ and RNZ;
 - 6.2. consolidating the news service of TVNZ and RNZ; and
 - 6.3. substantially increasing funding for NZ On Air;
7. **note** that the Chief Executive of the Ministry for Culture and Heritage convened an Advisory Group with representation from the relevant government departments and the chief executives of RNZ, TVNZ and NZ On Air to develop advice on a preferred option;
8. **note** that the Advisory Group has collectively recommended the following preferred approach:
- 8.1. to establish a new public media entity with the following core features:
 - 8.1.1. it is a single legislative entity;
 - 8.1.2. it has a clearly defined public media mandate and purpose, with the core functions of a globally recognised public media entity;
 - 8.1.3. it provides public media services across a variety of platforms, some of which will be advertising-free;
 - 8.1.4. it has a mixed funding model with revenue derived from Crown and non-Crown sources;
 - 8.1.5. it operates as a not-for-profit entity;
 - 8.1.6. it has statutory provisions for editorial and operational independence;

- 8.2. to confirm NZ On Air's continued role in providing contestable funding for public media content and services in a way that complements the new entity and supports the wider media sector;
9. **note** that officials have identified that the most appropriate organisational form for the new entity would be either an autonomous Crown entity or a Crown entity company and that it would be subject to the standard reporting and operating disciplines associated with those forms;
10. **note** that the proposed approach will allow the Government to optimise its investment in public media by establishing a local public media entity that is multi-platform, agile and has greater scale to be better positioned to respond to ongoing digital transformation and to deliver for audiences;
11. **note** that implementing the preferred approach will be complex and require careful management of associated risks over a multi-year process involving detailed business case development, legislative change, organisational design, change management and substantial Crown funding;
12. **note** that implementing the preferred approach would result in a new entity being established that would in the first instance draw on existing capacity and capability within RNZ and TVNZ to meet its needs, and that RNZ and TVNZ would ultimately be disestablished as a result;
13. **note** that creating a new entity that draws on existing capability and capacity within RNZ and TVNZ will present challenges due to differing company cultures and mandates, and that creating a new entity provides an opportunity to cultivate a strong unified culture that serves the public interest and prioritises audience needs;
14. **agree in principle**, subject to the completion and Cabinet approval of a satisfactory detailed business case, to establish a new public media entity and to confirm NZ On Air's continued role in providing contestable funding for public media content and services, as set out in recommendation 8;
15. **note** that core news services that are currently advertising-free will continue to be advertising-free;

Next phases of work

16. **note** that the scale and magnitude of change requires a detailed business case to be completed to support Ministers to make final decisions on how best to implement the preferred approach;
17. **direct** officials to undertake a detailed business case to test the viability and most effective means of delivering this approach and to ensure that the Crown is able to optimise the value of its investment in public media;
18. **agree** that the detailed business case should in particular consider the following issues:
- 18.1. the economic, financial, commercial and management viability of the proposal;

- 18.2. what is required to implement the proposal successfully, including managing the interim period to implementation;
- 18.3. the overall cost of developing, implementing and operating the preferred approach;
- 18.4. key options and choices around the design of the entity, its operating model, including any options to optimise its commercial revenue consistent with its role as a public media entity, its relationship with the NZ On Air funding model, and its organisational form (either an autonomous Crown entity or a Crown entity company);
- 18.5. the ability to implement the preferred approach in ways that are consistent with achieving Government's outcomes in relation to Māori media and Pacific audiences;
- 18.6. how the preferred approach could be implemented to minimise any negative impact on private media and optimise the opportunities for the new entity to collaborate with and complement private media;
19. **invite** the Minister of Broadcasting, Communications and Digital Media to report back to Cabinet on the outcome of the detailed business case in July 2020 and to seek confirmation of the preferred approach and an implementation plan;
20. **note** that there are risks associated with completing a detailed business case in a compressed timeframe and that the report back will identify any issues that could not be fully assessed in the time available;
21. **direct** officials to work together to identify opportunities for collaboration and how shared outcomes can be best achieved between public and Māori media;
22. **note** that the Minister of Broadcasting, Communications and Digital Media will be considering governance arrangements for the next phase of work and will invite relevant Ministers to participate on a Ministerial oversight group;
23. **note** that the Minister of State Services will be consulted on machinery of government issues before the July 2020 Cabinet report back;
24. **note** that the Cabinet report back will also seek the policy approvals necessary to develop drafting instructions for the establishing legislation for the new entity, including those needed to develop its charter;
25. **note** the Minister of Broadcasting, Communications and Digital Media's intention for Cabinet to consider the sustainability of the private media sector in 2020;

Financial implications

26. **note** that the preparation of a detailed business case described in recommendation 17 above and related policy and legislative work will create cost pressures totalling \$0.965 million within the Ministry for Culture and Heritage;

27. **note** that \$0.600 million of the above costs can be met through transfers from elsewhere within Vote Arts, Culture and Heritage with the remainder being met through reprioritisation of existing departmental baselines and utilisation of available departmental underspends at year-end;
28. **approve** the following fiscally neutral changes to appropriations to meet the costs of the detailed business case and programme management, with no impact on the operating balance and net core Crown debt;

Vote Arts, Culture and Heritage Minister for Arts, Culture and Heritage	\$m – increase/(decrease) 2019/20 to 2021/22				
	Multi-Year Multi-Category Expenses and Capital Expenditure: Policy Advice, Monitoring of Funded Agencies and Ministerial Services Departmental Output Expense: Policy Advice (funded by revenue Crown)				
Departmental Output Expense: First World War Centenary (funded by revenue Crown)	(0.200)	-	-	-	-
Non-Departmental Other Expense: Commonwealth War Graves	(0.400)	-	-	-	-

29. **agree** that the proposed changes to appropriations for 2019/20 above be included in the 2018/19 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
30. **agree** that any Ministry for Culture and Heritage departmental underspends in 2019/20 be applied to meet the additional costs described above as necessary, subject to confirmation by Joint Ministers following completion of the 2019/20 audited financial statements;

s9(2)(f)(iv)

Authorised for lodgement

Hon Kris Faafoi

Minister of Broadcasting, Communications and Digital Media

Proactively released



Cabinet

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.

Strengthening Public Media

Portfolio **Broadcasting, Communications and Digital Media**

On 28 January 2020, Cabinet:

Strategic context for the government's investment in public media

- 1 **noted** that both private and public media institutions make a unique contribution to the health and vibrancy of New Zealand society by:
 - 1.1 supporting citizens to participate in an informed democracy;
 - 1.2 providing a diverse range of entertainment and information for audiences;
- 2 **noted** that digital disruption has led to New Zealand media being increasingly unable to meet the needs and interests of New Zealand's dynamic and diverse population;
- 3 **noted** that the current mandates, objectives and funding arrangements of NZ On Air, Radio New Zealand Limited (RNZ) and Television New Zealand Limited (TVNZ) are not aligned, and constrain their ability to respond collectively to digital disruption and ultimately to inform, educate and entertain New Zealanders with a range of trusted and relevant, culturally-specific content;
- 4 **agreed** that the government is committed to ensuring that future generations of New Zealanders can access content that reflects their languages, experiences and communities in ways that meet their needs and interests;
- 5 **agreed** that government investment in public media should support public media entities to contribute to the following outcomes:
 - 5.1 New Zealand audiences choose to access mainstream and targeted content and services that support:
 - 5.1.1 their needs and interests as people living in Aotearoa, and which in particular reflect the language and experiences of Māori and Pacific peoples, and other under-served audiences;
 - 5.1.2 their ability as New Zealanders to be informed and engaged members of New Zealand's participative democracy and open civic society;
 - 5.1.3 their access to a range and diversity of content that they value and trust;

- 5.2 public media in New Zealand are:
 - 5.2.1 operationally and editorially independent;
 - 5.2.2 securely and sustainably funded;
 - 5.2.3 able to respond effectively to an evolving operating environment, and relevant to changing consumer preferences, in particular younger audiences;
 - 5.2.4 complementary to and collaborative with private media;
- 5.3 public media play an integral role in contributing to New Zealand being:
 - 5.3.1 a connected, informed, cohesive, and independent nation;
 - 5.3.2 a healthy, participative democracy;
 - 5.3.3 confident in, and aware of our unique identity, cultures, and languages;

Preferred approach to strengthen public media

- 6 **noted** that on 12 August 2019, Cabinet agreed that the Minister of Broadcasting, Communications and Digital Media would lead a project to investigate three options for strengthening public media:
 - 6.1 a combined public media service incorporating TVNZ and RNZ;
 - 6.2 consolidating the news service of TVNZ and RNZ;
 - 6.3 substantially increasing funding for NZ On Air;

[CAB-19-MIN-0398.02]
- 7 **noted** that the Chief Executive of the Ministry for Culture and Heritage convened an Advisory Group with representation from the relevant government departments, and the Chief Executives of RNZ, TVNZ and NZ On Air, to develop advice on a preferred option;
- 8 **noted** that the Advisory Group has collectively recommended the following preferred approach:
 - 8.1 to establish a new public media entity with the following core features:
 - 8.1.1 it is a single legislative entity;
 - 8.1.2 it has a clearly defined public media mandate and purpose, with the core functions of a globally recognised public media entity;
 - 8.1.3 it provides public media services across a variety of platforms, some of which will be advertising-free;
 - 8.1.4 it has a mixed funding model, with revenue derived from Crown and non-Crown sources;
 - 8.1.5 it operates as a not-for-profit entity;
 - 8.1.6 it has statutory provisions for editorial and operational independence;

- 8.2 to confirm NZ On Air's continued role in providing contestable funding for public media content and services in a way that complements the new entity and supports the wider media sector;
- 9 **noted** that officials have identified that the most appropriate organisational form for the new entity would be either an autonomous Crown entity or a Crown entity company, and that the new entity would be subject to the standard reporting and operating disciplines associated with those forms;
- 10 **noted** that the proposed approach will allow the government to optimise its investment in public media by establishing a local public media entity that is multi-platform, agile and has greater scale to be better positioned to respond to ongoing digital transformation and to deliver for audiences;
- 11 **noted** that implementing the preferred approach will be complex and require careful management of associated risks over a multi-year process involving detailed business case development, legislative change, organisational design, change management and substantial Crown funding;
- 12 **noted** that implementing the preferred approach would result in a new entity being established that would in the first instance draw on existing capacity and capability within RNZ and TVNZ to meet its needs, and that RNZ and TVNZ would ultimately be disestablished as a result;
- 13 **noted** that a final decision on the future of RNZ and TVNZ will be made if the business case supports the viability of establishing a new entity and Cabinet agrees to final proposals to establish the new entity;
- 14 **noted** that creating a new entity that draws on existing capability and capacity within RNZ and TVNZ will present challenges due to differing company cultures and mandates, and that creating a new entity provides an opportunity to cultivate a strong unified culture that serves the public interest and prioritises audience needs;
- 15 **invited** the Minister of Broadcasting, Communications and Digital Media to report back to Cabinet on the preferred approach in paragraph 8 above after the completion of a satisfactory detailed business case;
- 16 **noted** that core news services that are currently advertising-free will continue to be advertising free;

Next phases of work

- 17 **noted** that the scale and magnitude of change requires a detailed business case to be completed to support Ministers to make final decisions on the preferred approach and how best to implement the preferred approach;
- 18 **directed** officials to undertake a detailed business case to test the viability and most effective means of delivering this approach, and to ensure that the Crown is able to optimise the value of its investment in public media;
- 19 **agreed** that the detailed business case should, in particular, consider the following issues:
- 19.1 the economic, financial, commercial and management viability of the proposal;
- 19.2 what is required to implement the proposal successfully, including managing the interim period to implementation;

- 19.3 the overall cost of developing, implementing and operating the preferred approach;
- 19.4 key options and choices around the design of the entity, its operating model, including any options to optimise its commercial revenue consistent with its role as a public media entity, its relationship with the NZ On Air funding model, and its organisational form (either an autonomous Crown entity or a Crown entity company);
- 19.5 the ability to implement the preferred approach in ways that are consistent with achieving the government's outcomes in relation to Māori media and Pacific audiences;
- 19.6 how the preferred approach could be implemented to minimise any negative impact on private media and optimise the opportunities for the new entity to collaborate with and complement private media;
- 20 **invited** the Minister of Broadcasting, Communications and Digital Media to report back to Cabinet in July 2020 (the July 2020 report) on the outcome of the detailed business case and to seek final decisions on the preferred approach and an implementation plan;
- 21 **noted** that there are risks associated with completing a detailed business case in a compressed timeframe, and that the July 2020 report will identify any issues that could not be fully assessed in the time available;
- 22 **directed** officials to work together to identify opportunities for collaboration and how shared outcomes can be best achieved between public and Māori media;
- 23 **noted** that the Minister of Broadcasting, Communications and Digital Media will be considering governance arrangements for the next phase of work, and will invite relevant Ministers to participate on a Ministerial oversight group;
- 24 **noted** that the Minister of State Services will be consulted on machinery of government issues before the July 2020 report;
- 25 **noted** that the July 2020 report will also seek the policy approvals necessary to develop drafting instructions for the establishing legislation for the new entity, including those needed to develop its charter;
- 26 **noted** the Minister of Broadcasting, Communications and Digital Media's intention for Cabinet to consider the sustainability of the private media sector in 2020;

Financial implications

- 27 **noted** that the preparation of a detailed business case referred to in paragraph 18 above and related policy and legislative work will create cost pressures totalling \$0.965 million within the Ministry for Culture and Heritage;
- 28 **noted** that \$0.600 million of the above costs can be met through transfers from elsewhere within Vote Arts, Culture and Heritage, with the remainder being met through reprioritisation of existing departmental baselines and the utilisation of available departmental underspends at year end;

29 **approved** the following fiscally neutral changes to appropriations to meet the costs of the detailed business case and programme management, with no impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
Vote Arts, Culture and Heritage Minister for Arts, Culture and Heritage	2019/20 to 2021/22				
Multi-Year Multi-Category Expenses and Capital Expenditure: Policy Advice, Monitoring of Funded Agencies and Ministerial Services Departmental Output Expense: Policy Advice (funded by revenue Crown)	0.600				
Departmental Output Expense: First World War Centenary (funded by revenue Crown)	(0.200)	-	-	-	-
Non-Departmental Other Expense: Commonwealth War Graves	(0.400)	-	-	-	-

30 **agreed** that the changes to appropriations for 2019/20 above be included in the 2019/20 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

31 **agreed** that any Ministry for Culture and Heritage departmental underspends in 2019/20 be applied to meet the additional costs described above as necessary, subject to confirmation by Joint Ministers following completion of the 2019/20 audited financial statements;

32 s9(2)(f)(iv)

33

34

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:
Prime Minister
Deputy Prime Minister
Minister of Broadcasting, Communications and Digital Media