

The Treasury

Budget 2017 Information Release

Release Document July 2017

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
[25]	to protect the commercial position of the person who supplied the information or who is the subject of the information	9(2)(b)(ii)
[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	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	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.

2017 Budget Package: Vote Defence (Technical Initiatives)

- 1 **approve** the Budget initiatives for the above Vote for inclusion in the 2017 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)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9912	Impairment Expense Following November 2016 Earthquake	-	-	-	-	-
9991	Reallocation of Appropriations for Earthquake Costs	-	-	-	-	-
Total Operating		-	-	-	-	-

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
9914	81mm Mortar Upgrade Project	-	-	-	-	-
Total Capital		-	-	-	-	-

- 2 **approve** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **agree** that the proposed changes to appropriations for 2016/17 above be included in the 2016/17 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 4 **authorise** 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 2016/17 Supplementary Estimates, the 2017/18 Estimates and the fiscal forecasts;
- 5 **note** that all communications relating to the 2017 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;

Vote: Defence

Title: 81mm Mortar Upgrade Project

Description: The Minister of Defence has approved capital expenditure (New Zealand Defence Force capital expenditure PLA) for the 81mm Mortar Upgrade Project under his delegated authority from the Investor Confidence Regime. In order for the Ministry of Defence to manage this project a technical initiative is required to increase the Ministry's Non-Departmental Capital Expenditure appropriation. All expenditure under this appropriation is reimbursed by the New Zealand Defence Force.

Appropriation Changes

	\$m - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Capital Receipt:					
Defence Equipment	0.100	10.460	-	-	-
Non-Departmental Capital Expenditure:					
Defence Equipment	0.100	10.460	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-

Additional Recommendation

6 **note** that the above expenses are fully offset by Crown non-tax revenue in the form of a capital receipt from the New Zealand Defence Force.

Vote: Defence

Title: Impairment Expense Following November 2016 Earthquake

Description: The Ministry is required to record a further impairment expense for damage to assets resulting from the November 2016 earthquake.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	0.200	-	-	-	-
Total	0.200	-	-	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Departmental Other Expense:					
Earthquake/Storm Damages	0.200	-	-	-	-
Total Operating	0.200	-	-	-	-
Total Capital	-	-	-	-	-

Vote: Defence

Title: Reallocation of Appropriations for Earthquake Costs

Description: In the March Baseline Update Vote Defence was appropriated an additional \$0.967 million for the costs of writing off assets damaged in the November 2016 earthquake. This funding increased the departmental output expense appropriations. A transfer of this funding to the Departmental Other Expenses-Earthquake/Storm Damages is required.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Departmental Output Expenses:					
Evaluation, Audit & Assessment of Performance	(0.153)	-	-	-	-
Management of Equipment Procurement	(0.272)	-	-	-	-
Departmental Other Expense:					
Earthquake/Storm Damages	0.967	-	-	-	-
Multi-Category Expenses and Capital Expenditure					
Policy Advice and Related Outputs					
Departmental Output Expenses:					
Ministerial Services	(0.065)	-	-	-	-
Policy Advice	(0.325)	-	-	-	-
Policy Support	(0.152)	-	-	-	-
Total Operating	-	-	-	-	-
Total Capital	-	-	-	-	-