

The Treasury

Budget 2017 Information Release

Release Document July 2017

www.treasury.govt.nz/publications/informationreleases/budget/2017

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 Force (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	Sm - increase/(decrease)				
		2016/17	2017/18	2018/19	2019/20	2020/21
9762	Defence White Paper 2016 (DWP 2016) – Technical Operating Funding Transfer for Te Mana Capability Expenditure	3.200	-	(3.200)	-	-
9990	Modernising the Delivery of New Zealand Defence Force Logistics: Approval to Implement	-	-	-	-	9.483 ¹
Total Operating		3.200	-	(3.200)	-	9.483

- 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 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;

¹ See attached Initiative No: 9990 for future implications

Vote: Defence Force

Title: Defence White Paper 2016 (DWP 2016) – Technical Operating Funding Transfer for Te Mana Capability Expenditure

Description: The Defence White Paper 2016 refreshed the capability requirements underpinning the Defence Midpoint Rebalancing Review in order to deliver a preferred force structure that is able to meet New Zealand’s national security interests out to 2040. This initiative relates to the funding of frigate activity in 2016/17 as a result of changes to the scope and timing of the frigate upgrade.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Operating Balance Impact	3.200	-	(3.200)	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	3.200	-	(3.200)	-	-

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21 & Outyears
Departmental Output Expense:					
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	3.200	-	(3.200)	-	-
Total Operating	3.200	-	(3.200)	-	-
Total Capital	-	-	-	-	-

- Vote:** Defence Force
- Title:** Modernising the Delivery of New Zealand Defence Force Logistics: Approval to Implement
- Description:** This purpose of this initiative is to allow the New Zealand Defence Force to proceed with the full implementation of the Consolidated Logistics Project.

Appropriation Changes

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21
Operating Balance Impact	-	-	-	-	9.483
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	-	-	-	9.483

	Sm - increase/(decrease)				
	2016/17	2017/18	2018/19	2019/20	2020/21
Departmental Output Expense:					
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	-	-	-	9.483
	2021/22	2022/23	2023/24	2024/25	2025/26
	5.501	5.611	5.724	5.838	5.955
	2026/27	2027/28	2028/29	2029/30	2030/31
	6.074	6.196	6.321	6.446	-

Additional Recommendations

- 6 **note** that on 30 November 2016 the Cabinet Economic Growth and Infrastructure Committee authorised the Chief of Defence Force to proceed with the full implementation of the Consolidated Logistics Project, and approved changes to appropriations to give effect to that [EGI-16-MIN-0323 refers]; and
- 7 **note** that this decision also provisioned for \$63.149 million in new operating over the period 2020/21 to 2029/30, charged against the Defence Mid-Point Rebalancing Review tagged contingency, the profile of which is given effect to in the above table.