

The Treasury

Budget 2018 Information Release

Release Document August 2018

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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)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[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	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

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.



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.

2018 Budget Package: Vote Defence Force

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10163	Defence White Paper 2016 (DWP 2016) - Operating Funding	-	17.680	102.146	102.146	102.146
10638	Expanding the Limited Service Volunteer Programme	-	1.278	2.013	2.135	2.199
10256	Grant Payments for Non-Government Organisations	-	0.275	0.275	0.275	0.275
Total Operating		-	19.233	104.434	104.556	104.620

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22
10164	Defence White Paper 2016 (DWP 2016) - Defence Estate Regeneration Programme Plan Tranche One - Capital Funding	-	2.719	11.645	22.297	4.650
10638	Expanding the Limited Service Volunteer Programme	-	1.000	-	-	-
Total Capital		-	3.719	11.645	22.297	4.650

- 2 **approved** changes to appropriations and the capital injections to the administering department to implement the initiatives, as set out in the attached initiative documents;

- 3 **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 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;
- 4 **noted** that all communications relating to the 2018 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;
- 5 **agreed** to increase the following tagged operating contingency established at Budget 2017 [CAB-17-MIN-0185.06] by the following amount for the [33] programme, and that the [33] business case be submitted to Cabinet for consideration at a later stage;

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Defence White Paper 2016 (DWP 2016) - Contingent Operating Funding for Supporting the Introduction of New Capabilities	-	3.400	3.400	3.400	3.400
Total Operating	-	3.400	3.400	3.400	3.400

- 6 **agreed** that the expiry for this tagged contingency be extended to 30 June 2019.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Defence

Vote: Defence Force

Title: Defence White Paper 2016 (DWP 2016) - Defence Estate Regeneration Programme Plan Tranche One - Capital Funding

Description: This funding is to progress completion of the first tranche of investment under the Defence Estate Regeneration Programme Plan with the objective of producing a safe, modernised, fit-for-purpose Defence Estate. An updated Defence Estate will enable the delivery of the Defence policy, in line with Defence White Paper 2016.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	2.719	11.645	22.297	4.650
No Impact	-	-	-	-	-
Total	-	2.719	11.645	22.297	4.650

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Capital Injection:					
New Zealand Defence Force - Capital Injection	-	2.719	11.645	22.297	4.650
Total Capital	-	2.719	11.645	22.297	4.650

Vote: Defence Force

Title: Defence White Paper 2016 (DWP 2016) - Operating Funding

Description: This funding provides for the operation of the capability requirements identified in the Defence White Paper 2016 as needed to deliver defence policy and meet New Zealand's national security interests.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	17.680	102.146	102.146	102.146
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	17.680	102.146	102.146	102.146

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Departmental Output Expenses:					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	5.055	29.204	29.204	29.204
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	6.299	36.397	36.397	36.397
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	3.491	20.171	20.171	20.171
Multi-Category Expenses and Capital Expenditure:					
Advice to the Government (MCA)					
<i>Departmental Output Expenses:</i>					
Policy Advice (funded by revenue Crown)	-	0.015	0.086	0.086	0.086
Situational Awareness (funded by revenue Crown)	-	0.535	3.093	3.093	3.093
Supporting Ministers (funded by revenue Crown)	-	0.003	0.015	0.015	0.015

Total Multi-Category Expenses and Capital Expenditure: Advice to the Government (MCA)	-	0.553	3.194	3.194	3.194
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Initiative No: 10163

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Policy Advice and Other Services for Veterans (MCA)					
<i>Departmental Output Expenses:</i>					
Administration Services (funded by revenue Crown)	-	0.007	0.040	0.040	0.040
Services and Payments to Veterans (funded by revenue Crown)	-	0.014	0.080	0.080	0.080
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Other Services for Veterans (MCA)	-	0.021	0.120	0.120	0.120
Protection of New Zealand and New Zealanders (MCA)					
<i>Departmental Output Expenses:</i>					
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations (funded by revenue Crown)	-	0.448	2.586	2.586	2.586
Defence International Engagement (funded by revenue Crown)	-	0.480	2.770	2.770	2.770
Defence Support to the Community (funded by revenue Crown)	-	0.186	1.077	1.077	1.077
Military Assistance to Civil Authorities in Non-Emergency Situations (funded by revenue Crown)	-	0.254	1.465	1.465	1.465
Resource and Border Protection Operations (funded by revenue Crown)	-	0.893	5.162	5.162	5.162
Total Multi-Category Expenses and Capital Expenditure: Protection of New Zealand and New Zealanders (MCA)	-	2.261	13.060	13.060	13.060
Total Operating	-	17.680	102.146	102.146	102.146

Vote: Defence Force

Title: Expanding the Limited Service Volunteer Programme

Description: This funding will deliver the Government's commitment to expand the Limited Service Volunteer Programme (LSV) by 800 places. LSV is a six week residential motivational programme intended to improve the discipline, confidence and work-readiness of young people aged 18 to 25 who are unemployed.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	1.278	2.013	2.135	2.199
Debt Impact	-	1.000	-	-	-
No Impact	-	2.205	3.889	4.374	4.492
Total	-	4.483	5.902	6.509	6.691

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Capital Injections:					
New Zealand Defence Force - Capital Injection	-	1.000	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Protection of New Zealand and New Zealanders (MCA)					
<i>Departmental Output Expenses:</i>					
Defence Support to the Community (funded by revenue Crown)	-	1.278	2.013	2.135	2.199
Defence Support to the Community (funded by revenue Dept)	-	2.205	3.889	4.374	4.492
Total Multi-Category Expenses and Capital Expenditure: Protection of New Zealand and New Zealanders (MCA)	-	3.483	5.902	6.509	6.691
Total Operating	-	3.483	5.902	6.509	6.691
Total Capital	-	1.000	-	-	-

Additional recommendations

- 7 **noted** that a related initiative has been submitted in Vote Social Development, administered by the Ministry of Social Development, Initiative 10338;
- 8 **noted** that the New Zealand Defence Force will receive revenue from the Ministry of Social Development to deliver the expansion, and that this increase in appropriation has no impact

on the operating balance.

Initiative No: 10256

Vote: Defence Force

Title: Grant Payments for Non-Government Organisations

Description: This funding will provide on-going assistance to the Royal New Zealand Returned and Services' Association and the No Duff Charitable Trust in their support work for veterans. This includes linking veterans with those who can provide them with emergency support, advocacy, mentoring, and access to a strong regional network of people who share similar experiences.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	0.275	0.275	0.275	0.275
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.275	0.275	0.275	0.275

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Other Expense:					
Grant Payments to Non-Government Organisations	-	0.275	0.275	0.275	0.275
Total Operating	-	0.275	0.275	0.275	0.275