

The Treasury

Budget 2020 Information Release

July 2020

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0155.10: 2020 Budget Package: Vote Defence Force**

Date: **6 April 2020**

Creator: Cabinet Office

Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information may have been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(b)(i) - 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
- [4] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [11] 6(e)(vi) - to prevent serious damage to 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
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [26] 9(2)(ba)(i) - 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 to prejudice 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
- [27] 9(2)(ba)(ii) - 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
- [29] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand

- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [36] 9(2)(h) - to maintain legal professional privilege
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [40] not in scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon.

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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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.

2020 Budget Package: Vote Defence Force

On 6 April 2020, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2020 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) | | | | |
|------------------------|---|---------------------------|----------------|----------------|----------------|--------------------|
| | | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 & Outyears |
| 11738 | Delivering on the Strategic Defence Policy Statement 2018 | - | 141.466 | 165.380 | 176.438 | 183.029 |
| 12092 | Security Capability Programme | - | 1.800 | 2.800 | 2.800 | 2.800 |
| Total Operating | | - | 143.266 | 168.180 | 179.238 | 185.829 |

- 2 **approved** changes to appropriations 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 2019/20 Supplementary Estimates, the 2020/21 Estimates and the fiscal forecasts;
- 4 **noted** that all communications relating to the 2020 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement must have the written approval of the Minister of Finance and the Office of the Prime Minister;

- 5 **agreed** that the initiatives in the following tables be set aside as contingency items, and that corresponding funding for them be charged against the Budget 2020 operating allowance and the multi-year capital allowance:

Operating Contingency

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|----------------|----------------|----------------|----------------|
| Initiative Name | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Defence Capability Plan 2019 - Contingent Funding to Support the Introduction of New Capabilities | 0.767 | 9.731 | 31.056 | 55.518 | 90.928 |
| [33] | [33] | [33] | [33] | [33] | [33] |
| Total Operating | 0.767 | 9.731 | 31.056 | 55.518 | 90.928 |
| Initiative Name | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 |
| Defence Capability Plan 2019 – Contingency Funding to Support the Introduction of New Capabilities | 102.563 | 106.607 | 107.532 | 107.649 | 107.729 |
| [33] | [33] | [33] | [33] | [33] | [33] |
| Total Operating | 102.563 | 106.607 | 107.532 | 107.649 | 107.729 |
| Initiative Name | 2029/30 & Outyears | | | | |
| Defence Capability Plan 2019 – Contingency Funding to Support the Introduction of New Capabilities | 109.992 | | | | |
| [33] | [33] | | | | |
| Total Operating | 109.992 | | | | |

Capital Contingency

| | \$m - increase/(decrease) | | | | |
|---|---------------------------|---------------|---------------|--------------------|----------------|
| Initiative Name | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
| Defence Capability Plan 2019 - Contingent Funding to Support the Introduction of New Capabilities | - | 56.038 | 76.312 | 124.488 | 601.766 |
| Total Capital | - | 56.038 | 76.312 | 124.488 | 601.766 |
| Initiative Name | 2024/25 | 2025/26 | 2026/27 | 2027/28 & Outyears | |
| Defence Capability Plan 2019 – Contingent Funding to Support the Introduction of New Capabilities | 31.360 | 6.076 | 1.960 | - | |
| Total Capital | 31.360 | 6.076 | 1.960 | - | |

- 6 **noted** that commitment to the contingency funding in paragraph 5 above does not amount to a commitment to funding for any individual projects;

- 7 **noted** that this funding will need to be prioritised by the New Zealand Defence Force and the Ministry of Defence, in consultation with the Treasury, and in line with the Defence Capability Plan 2019 and the Defence Estate Regeneration Implementation Plan 2019 endorsed by Cabinet in 2019 [CAB-19-MIN-0171 and CAB-19-MIN-0171.01];
- 8 **authorised** the Minister of Finance and the Minister of Defence jointly to draw down from the contingency funding in paragraph 5 above to fund priority projects, unless approval is required from Cabinet under existing delegations.

Michael Webster
Secretary of the Cabinet

Initiative No: 11738

Vote: Defence Force

Title: Delivering on the Strategic Defence Policy Statement 2018

Description: This initiative will provide funding to support delivery of the Strategic Defence Policy Statement 2018, by providing for military outputs at the levels required to meet government policy and capability priorities, as well as prioritising investment in foundational enablers such as information and communication technology and the estate

Appropriation changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|----------------|----------------|----------------|--------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 & Outyears |
| Operating Balance Impact | - | 141.466 | 165.380 | 176.438 | 183.029 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 141.466 | 165.380 | 176.438 | 183.029 |

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|----------------|----------------|----------------|--------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 & Outyears |
| Departmental Output Expenses: | | | | | |
| Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 48.166 | 55.243 | 56.268 | 56.249 |
| Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 48.962 | 60.262 | 67.937 | 72.168 |
| Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 44.338 | 49.875 | 52.233 | 54.612 |
| Total Operating | - | 141.466 | 165.380 | 176.438 | 183.029 |

Vote: Defence Force

Title: Security Capability Programme

Description: This initiative will provide funding for improvements to New Zealand Defence Force's security capability in line with the Protective Security Requirements (PSR) expected of a government department and the obligations to New Zealand's international partners.

Appropriation changes

| | \$m - increase/(decrease) | | | | |
|--------------------------|---------------------------|--------------|--------------|--------------|--------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 & Outyears |
| Operating Balance Impact | - | 1.800 | 2.800 | 2.800 | 2.800 |
| Debt Impact | - | - | - | - | - |
| No Impact | - | - | - | - | - |
| Total | - | 1.800 | 2.800 | 2.800 | 2.800 |

| | \$m - increase/(decrease) | | | | |
|--|---------------------------|--------------|--------------|--------------|--------------------|
| | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 & Outyears |
| Departmental Output Expenses: | | | | | |
| Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 0.720 | 1.120 | 1.120 | 1.120 |
| Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 0.720 | 1.120 | 1.120 | 1.120 |
| Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown) | - | 0.360 | 0.560 | 0.560 | 0.560 |
| Total Operating | - | 1.800 | 2.800 | 2.800 | 2.800 |