

The Treasury

Budget 2020 Information Release

July 2020

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Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0155.11: 2020 Budget Package: Vote Defence**

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

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
11741	Ministry of Defence Policy Demand	-	0.130	0.369	0.369	0.369
11740	Ministry of Defence Portfolio Management	-	0.575	0.715	0.715	0.715
11739	Ministry of Defence Price Related Cost Pressures	-	0.336	0.676	1.097	1.539
Total Operating		-	1.041	1.760	2.181	2.623

- 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 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.

Michael Webster
Secretary of the Cabinet

Vote: Defence

Title: Ministry of Defence Policy Demand

Description: This funding will allow the Ministry to meet additional policy demand in a changing strategic climate and support increased international defence engagement.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	0.130	0.369	0.369	0.369
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.130	0.369	0.369	0.369

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expense:</i>					
Policy Support (funded by revenue Crown)	-	0.130	0.369	0.369	0.369
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	-	0.130	0.369	0.369	0.369
Total Operating	-	0.130	0.369	0.369	0.369

Vote: Defence

Title: Ministry of Defence Portfolio Management

Description: This funding will improve the portfolio efficiency and risk management for major capability projects through the enhancement of existing systems and processes.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	0.575	0.715	0.715	0.715
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.575	0.715	0.715	0.715

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expense:					
Management of Defence Capabilities (funded by revenue Crown)	-	0.465	0.605	0.605	0.605
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expenses:</i>					
Ministerial Services (funded by revenue Crown)	-	0.013	0.013	0.013	0.013
Policy Advice (funded by revenue Crown)	-	0.066	0.066	0.066	0.066
Policy Support (funded by revenue Crown)	-	0.031	0.031	0.031	0.031
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	-	0.110	0.110	0.110	0.110
Total Operating	-	0.575	0.715	0.715	0.715

Vote: Defence

Title: Ministry of Defence Price Related Cost Pressures

Description: This funding will address cost pressures driven by market inflation, to ensure timely and successful delivery of the Ministry's outputs.

Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	0.336	0.676	1.097	1.539
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.336	0.676	1.097	1.539

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Departmental Output Expenses:					
Audit & Assessment (funded by revenue Crown)	-	0.040	0.081	0.131	0.183
Management of Defence Capabilities (funded by revenue Crown)	-	0.090	0.182	0.295	0.414
Multi-Category Expenses and Capital Expenditure:					
Policy Advice and Related Outputs (MCA)					
<i>Departmental Output Expenses:</i>					
Ministerial Services (funded by revenue Crown)	-	0.025	0.049	0.080	0.113
Policy Advice (funded by revenue Crown)	-	0.124	0.249	0.404	0.567
Policy Support (funded by revenue Crown)	-	0.057	0.115	0.187	0.262
Total Multi-Category Expenses and Capital Expenditure: Policy Advice and Related Outputs (MCA)	-	0.206	0.413	0.671	0.942
Total Operating	-	0.336	0.676	1.097	1.539