

# The Treasury

## Budget 2024 Information Release

### September 2024

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

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [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
- [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
- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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# Cabinet

## Minute of Decision

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### Budget 2024 Package: Vote Defence Force (Technical Initiatives)

On 29 April 2024, Cabinet:

#### Appropriation Administrator: New Zealand Defence Force

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

#### Summary of technical initiatives:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15890	Alignment of Funding to the Delivery of Outputs 2023/24	-	-	-	-	-
15906	Depreciation Expense Transfer	(10.000)	10.000	-	-	-
15889	Veterans' Entitlements - Discount Unwind Funding Shortfall	-	-	-	6.000	9.000
15905	Funding to Support the Solomon Islands elections	-	-	-	-	-
16049	Loss-On-Sale for Commercial Redress Properties Offered to the Marutūāhu Iwi Collective	(7.260)	7.260	-	-	-
15888	Multi-Year Appropriation Discount Unwind Expense: Funding Shortfall	39.000	25.000	6.000	-	-
16000	Shared Approach to Back-office Transformation	-	(0.400)	(0.400)	(0.400)	(0.400)
<b>Total Operating</b>		<b>21.740</b>	<b>41.860</b>	<b>5.600</b>	<b>5.600</b>	<b>8.600</b>

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward  
Secretary of the Cabinet

**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Alignment of Funding to the Delivery of Outputs 2023/24

**Description:** This technical initiative enables the New Zealand Defence Force to reflect revised forecasts to support delivery of outputs for 2023/24 and outyears to manage expenditure.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	4.500	(59.496)	(72.175)	(74.060)	(74.022)
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	2.000	20.954	26.404	27.537	27.455
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	(2.000)	70.175	79.427	79.543	79.569
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Advice to the Government (MCA)					
<i>Departmental Output Expenses:</i>					
Situational Awareness (funded by revenue Crown)	(0.204)	-	-	-	-
Supporting Ministers (funded by revenue Crown)	0.204	-	-	-	-
<b>Total Multi-Category Expenses and Capital Expenditure: Advice to the Government (MCA)</b>	-	-	-	-	-

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operations Contributing to New Zealand's Security, Stability and Interests (MCA) <i>Departmental Output Expenses:</i> Military Operations in Support of a Rules-Based International Order (funded by revenue Crown)	(0.500)	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Operations Contributing to New Zealand's Security, Stability and Interests (MCA)	(0.500)	-	-	-	-
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)	17.400	14.993	15.184	15.307	15.310
Defence International Engagement (funded by revenue Crown)	(4.000)	13.324	13.062	13.267	13.271
Defence Support to the Community (funded by revenue Crown)	(1.800)	(1.497)	(1.256)	(1.252)	(1.250)
Military Assistance to Civil Authorities in Non-Emergency Situations (funded by revenue Crown)	11.800	14.181	14.313	14.376	14.378
Resource and Border Protection Operations (funded by revenue Crown)	(27.400)	(72.634)	(74.959)	(74.718)	(74.711)
Total Multi-Category Expenses and Capital Expenditure: Protection of New Zealand and New Zealanders (MCA)	(4.000)	(31.633)	(33.656)	(33.020)	(33.002)
<b>Total Operating</b>	-	-	-	-	-

**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Depreciation Expense Transfer

**Description:** This initiative transfers \$10.000 million of depreciation expenditure from 2023/24 to 2024/25. This transfer is a result of a revision to the New Zealand Defence Force's planned capital project implementation.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(10.000)	10.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(10.000)</b>	<b>10.000</b>	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	(3.700)	3.700	-	-	-
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	(2.200)	2.200	-	-	-
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	(3.100)	3.100	-	-	-

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b>					
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)	(0.200)	0.200	-	-	-
Defence International Engagement (funded by revenue Crown)	(0.100)	0.100	-	-	-
Defence Support to the Community (funded by revenue Crown)	(0.100)	0.100	-	-	-
Military Assistance to Civil Authorities in Non-Emergency Situations (funded by revenue Crown)	(0.100)	0.100	-	-	-
Resource and Border Protection Operations (funded by revenue Crown)	(0.500)	0.500	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Protection of New Zealand and New Zealanders (MCA)	(1.000)	1.000	-	-	-
<b>Total Operating</b>	<b>(10.000)</b>	<b>10.000</b>	-	-	-

**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Veterans' Entitlements - Discount Unwind Funding Shortfall

**Description:** This technical initiative increases the Non-Departmental Other Expenses appropriation Unwind of Discount Rate - Veterans' Entitlements to ensure funding levels are aligned to actuarial projections, with no cash impact.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	6.000	9.000
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	-	-	<b>6.000</b>	<b>9.000</b>

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Other Expenses:</b>					
Unwind of Discount Rate - Veterans' Entitlements	-	-	-	6.000	9.000
<b>Total Operating</b>	-	-	-	<b>6.000</b>	<b>9.000</b>

2 **noted** that this initiative relates to Initiative 15888 in Vote Defence Force;



**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Funding to Support the Solomon Islands Elections

**Description:** This technical initiative reflects funding provided by the Ministry of Foreign Affairs and Trade to support the New Zealand Defence Force's contribution to the Solomon Island election in April 2024.

**Appropriation Changes**

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	2.500	-	-	-	-
<b>Total</b>	<b>2.500</b>	-	-	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Dept)	1.250	-	-	-	-
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Dept)	1.250	-	-	-	-
<b>Total Operating</b>	<b>2.500</b>	-	-	-	-

<b>Vote:</b>	Defence Force
<b>Appropriation Administrator:</b>	New Zealand Defence Force
<b>Title:</b>	Loss-On-Sale for Commercial Redress Properties Offered to the Marutūāhu Iwi Collective
<b>Description:</b>	This technical initiative transfers funding appropriated for the loss-on-sale of physical assets from 2023/24 to 2024/25. This transfer will enable the Marutūāhu Iwi Collective and the Crown to sign the Marutūāhu Iwi Collective Redress Deed within the next fiscal year.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	(7.260)	7.260	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>(7.260)</b>	<b>7.260</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Other Expenses:</b>					
Loss on Sale of Physical Assets	(7.260)	7.260	-	-	-
<b>Total Operating</b>	<b>(7.260)</b>	<b>7.260</b>	<b>-</b>	<b>-</b>	<b>-</b>

3 **noted** that this initiative relates to Initiative 15679 in Vote Te Arawhiti;

**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Multi-Year Appropriation Discount Unwind Expense: Funding Shortfall

**Description:** This technical initiative increases the Non-Departmental Other Appropriation Unwind of Discount Rate - Veterans' Entitlements Multi-Year Appropriation to ensure levels are aligned to actuarial projections, with no cash impact.

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	39.000	25.000	6.000	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>39.000</b>	<b>25.000</b>	<b>6.000</b>	-	-

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Non-Departmental Other Expenses:</b>					
Unwind of Discount Rate - Veterans' Entitlements (MYA)	39.000	25.000	6.000	-	-
<b>Total Operating</b>	<b>39.000</b>	<b>25.000</b>	<b>6.000</b>	-	-

### Additional Recommendations

- 4 **agreed** the Multi Year Appropriation: "Unwind of Discount Rate - Veterans' Entitlements" is adjusted by \$70.000 million;
- 5 **noted** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Unwind of Discount Rate - Veterans' Entitlements" reflect the change to the indicative annual spending profile;
- 6 **noted** that this initiative relates to Initiative 15889 in Vote Defence Force;

**Vote:** Defence Force

**Appropriation Administrator:** New Zealand Defence Force

**Title:** Shared Approach to Back-office Transformation

**Description:** This initiative funds a shared approach to back-office transformation. On 4 September 2023, Cabinet confirmed an approach to fund this system initiative through contributions from agency baselines [CAB-23-MIN-0417].

### Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.400)	(0.400)	(0.400)	(0.400)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>

\* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
<b>Departmental Output Expenses:</b>					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	(0.102)	(0.102)	(0.102)	(0.102)
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	(0.153)	(0.153)	(0.153)	(0.153)
Navy Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	-	(0.052)	(0.052)	(0.052)	(0.052)
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Advice to the Government (MCA)					
<i>Departmental Output Expenses:</i>					
Situational Awareness (funded by revenue Crown)	-	(0.010)	(0.010)	(0.010)	(0.010)
Total Multi-Category Expenses and Capital Expenditure: Advice to the Government (MCA)	-	(0.010)	(0.010)	(0.010)	(0.010)

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
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)	-	(0.015)	(0.015)	(0.015)	(0.015)
Defence International Engagement (funded by revenue Crown)	-	(0.025)	(0.025)	(0.025)	(0.025)
Defence Support to the Community (funded by revenue Crown)	-	(0.010)	(0.010)	(0.010)	(0.010)
Military Assistance to Civil Authorities in Non-Emergency Situations (funded by revenue Crown)	-	(0.008)	(0.008)	(0.008)	(0.008)
Resource and Border Protection Operations (funded by revenue Crown)	-	(0.025)	(0.025)	(0.025)	(0.025)
Total Multi-Category Expenses and Capital Expenditure: Protection of New Zealand and New Zealanders (MCA)	-	(0.083)	(0.083)	(0.083)	(0.083)
<b>Total Operating</b>	-	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>	<b>(0.400)</b>

### Additional Recommendation

7      **noted** that this initiative relates to Initiative 15913 in Vote Internal Affairs.