

HON ANDREW LITTLE, MINISTER OF DEFENCE

New Zealand Defence Force Estate Regeneration: Ohakea Infrastructure Programme – Fuels Precinct Detailed Business Case and Programme Update

March 2023

This paper seeks approval for the Detailed Business Case for Tranche 2 of the Ohakea Infrastructure Programme, including establishment of contingencies for capital funds and operating funds over the forecast period to FY26/27.

The pack comprises the following documents:

- February 2023 Cabinet Economic Development Committee Minute of Decision *New Zealand Defence Force Estate Regeneration: Ohakea Infrastructure Programme – Fuels Precinct Detailed Business Case and Programme Update* [DEV-23-MIN-0001]; and
- The associated Cabinet Paper *New Zealand Defence Force Estate Regeneration: Ohakea Infrastructure Programme – Fuels Precinct Detailed Business Case and Programme Update*.

This pack has been released on the New Zealand Defence Force website, available at: www.nzdf.mil.nz/nzdf/search-our-libraries/documents/?document-type=Official+information&sort=relevance.

Information has been withheld in accordance with:

- section 6(a) of the OIA: *if the making available of that information would be likely to prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand;*
- section 9(2)(b)(ii) of the OIA: *to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied the information;*
- section 9(2)(f)(iv) of the OIA: *to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials;*
- section 9(2)(g)(i) of the OIA: *to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty; and*
- section 9(2)(j) of the OIA: *to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, negotiations.*

The business case (Enclosure 1) and business case update (Enclosure 2) have been withheld in full in accordance with sections 9(2)(b)(ii), 9(2)(f)(iv) and 9(2)(j). The public interest is met with a summary of the key information that formed the basis of Cabinet's decision to invest this funding being provided by the Cabinet paper.



Cabinet Economic Development Committee

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.

New Zealand Defence Force Estate Regeneration: Ohakea Infrastructure Programme - Fuels Precinct Detailed Business Case and Programme Update

Portfolio Defence

On 15 February 2023, the Cabinet Economic Development Committee:

RNZAF Base Ohakea Fuels Precinct

- 1 **agreed** that the New Zealand Defence Force proceed with the preferred option for Ohakea Infrastructure Programme Tranche 2 – Fuels Precinct;
- 2 **noted** that the annual operating costs for Tranche 2 - Fuels Precinct are estimated to be s.9(2)(j) per annum (at steady state from financial year 2026/27) and that at steady state, after allowing for offsets within current baselines, the incremental operating costs are estimated to be s.9(2)(j) above current Vote Defence Force baselines;
- 3 **noted** that the annual depreciation uplift is s.9(2)(j) (per annum at steady state from financial year 2026/27);
- 4 **noted** that the capital charge expense is s.9(2)(j) (per annum at steady state from financial year 2026/27);
- 5 **noted** that the operating uplift to Vote Defence Force baselines is s.9(2)(j) per annum at steady state from financial year 2026/27;
- 6 **noted** that the total capital cost (including contingency) for the proposed solution for Tranche 2 - Fuels Precinct is s.9(2)(j)

- 7 **agreed** to establish tagged operating and capital contingencies associated with the Vote Defence Force portfolio of up to the following amounts to provide for Ohakea Infrastructure Project Tranche 2 Fuels Precinct:

	NZ (\$M) – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 and out years
Ohakea Infrastructure Project Tranche 2 Fuels Precinct – tagged operating contingency	s.9(2)(j)				
Ohakea Infrastructure Project Tranche 2 Fuels Precinct – tagged capital contingency					

- 8 **authorised** the Minister of Defence and the Minister of Finance jointly to draw down the funding for the tagged contingencies in paragraph 7 above for costs associated with construction of the Fuels Precinct on their approval of an implementation business case;
- 9 **agreed** that the tagged operating contingencies in paragraph 7 above be charged as a pre-commitment to the Budget 2023 operating allowance and will be counted against the Vote Defence Force Budget 2023 invited operating envelope;
- 10 **agreed** that the tagged capital contingencies in paragraph 7 above be charged as a pre-commitment against the multi-year capital allowance;

Update on the remainder of the Ohakea Infrastructure Programme

- 11 **noted** that the Ohakea Infrastructure Programme Business Case Update was developed to provide context for the investment decision associated with the Fuels Precinct, to detail changes to scope, timing and costs, and to set out the recommended future direction of the programme;
- 12 **noted** that a Detailed Business Case will be developed for the remainder of the Ohakea Infrastructure Programme, targeting future Budget rounds and subject to future Budget processes.

Jenny Vickers
Committee Secretary

Present:

Hon Carmel Sepuloni
Hon Grant Robertson (Chair)
Hon Dr Megan Woods
Hon Dr Ayesha Verrall
Hon Willie Jackson
Hon Damien O'Connor
Hon Andrew Little
Hon David Parker
Hon Peeni Henare
Hon Priyanca Radhakrishnan
Hon Ginny Andersen
Hon Dr Duncan Webb
Hon Rino Tirikatene
Hon Dr Deborah Russell
Jo Luxton MP

Officials present from:

Office of the Prime Minister
Officials Committee for DEV

New Zealand Defence Force Estate Regeneration: Ohakea Infrastructure Programme – Fuels Precinct Detailed Business Case and Programme Update

Purpose

1. This investment addresses **s. 9(2)(g)(i)** the aviation fuel facilities at RNZAF Base Ohakea. The New Zealand Defence Force (NZDF) seeks Cabinet approval and new funding so that it can progress immediately to the procurement stage for a new Fuels Precinct. This will remediate significant and increasing risks associated with the existing facilities, and will provide an uplift in capacity that will support the arrival of the P-8A Poseidon.
2. This submission asks Cabinet to approve the Detailed Business Case for Tranche 2 of the Ohakea Infrastructure Programme (OIP), including establishment of contingencies for capital funds of **s.9(2)(j)** and operating funds of **s.9(2)(j)** over the forecast period to FY26/27. It also provides context for this investment decision with an update on the overall programme.

Relation to government priorities

3. This investment supports approved Defence priorities [ERS-21-MIN-0040 refers]:
 - 3.1. *People*. The OIP will deliver compliant, effective, and safe living and working accommodation for NZDF personnel.
 - 3.2. *Infrastructure*. It addresses issues related to the age, condition, compliance, and fitness-for-purpose of existing facilities and infrastructure.
 - 3.3. *Pacific*. Royal New Zealand Air Force (RNZAF) Base Ohakea plays a key role in enabling NZDF support to the Pacific, becoming even more prominent with the arrival of the P-8A Poseidon.

Executive Summary

4. RNZAF Base Ohakea is home to critical NZDF and national emergency capabilities including operational aircraft and pilot training. It is essential for military deployments, as well as NZDF support to government agencies including the National Emergency Management Agency, Police, Maritime New Zealand, Ministry for Primary Industries, and New Zealand Search and Rescue. The base holds military aircraft that are utilised for civil defence, border patrol, and resource protection. It also serves as a coordination and logistics fuelling hub for whole of government responses to civil emergencies, such as natural disasters. The proposed fuels precinct, which will hold **s. 6(a)** litres of aviation fuel, will also serve as a national strategic fuel reserve.
5. The OIP addresses shortfalls with the age, condition, compliance, and fitness of infrastructure at Base Ohakea. It provides an uplift in capacity for the arrival of the P-8A Poseidon and the unit that will operate them (No. 5 Squadron). It comprises fourteen projects that are all considered necessary for RNZAF Base Ohakea to support New Zealand Defence priorities at home and across the Pacific. The

essential nature of the OIP was reaffirmed in the First Principles Review of the Defence Estate Footprint in August 2022 [GOV-22-MIN-0027 refers].

6. The initial Cabinet submissions for the OIP Programme Business Case and Tranche 1 Indicative Business Case gained Cabinet agreement with the overall programme scope [CAB-20-MIN-0011 and CAB-20-MIN-0031 refer]. They signalled that further submissions for remaining tranches including the Fuels Precinct would follow, along with the requirement for additional funding to deliver the remainder of the programme.

The Fuels Precinct Detailed Business Case – Tranche 2

7. The NZDF seeks approval and funding for a new Fuels Precinct at RNZAF Base Ohakea. This investment will replace existing facilities with an integrated complex that includes fuel storage, covered parking for refuelling tankers, offices, classroom, and workshops.
8. This investment will ensure that RNZAF Base Ohakea can continue to provide aviation fuels services that are safe, reliable, and environmentally responsible. It will provide a necessary uplift to the base's fuel holdings to support the P-8A Poseidon. This is in addition to the aircraft currently stationed at Base Ohakea,¹ other NZDF aircraft that intermittently operate from the base, visiting foreign military aircraft, and commercial airlines under Ohakea Project Alternate.
9. s.6(a)
10. The NZDF is seeking a capital contingency to fund this project. Funding between budget rounds is necessary to begin work as soon as possible on this long and complex project. s.6(a)

10.1. s.6(a)

10.2. s.6(a)

¹ Base Ohakea currently holds the NH-90 and A-109 helicopters, the T-6C Texan air trainer, and the Beech King Air 350 light aircraft. NZDF deployments, including peacekeeping and humanitarian missions, often depart from Base Ohakea, using C-130 Hercules and Boeing 737 transport aircraft.

s.6(a)

11. s. 9(2)(g)(i)

This project is shovel ready, with all design complete and the business case enclosed. Cabinet approval and new funding is required for the Fuels Precinct to proceed.

Update on the whole of the programme

12. Consistent with the approach outlined to Cabinet [GOV-MIN-20-0031], detailed design work for all projects within the OIP is either complete or nearly complete. To provide context for the investment decision associated with the Fuels Precinct, and set out the recommended future direction of the programme, the OIP Programme Business Case Update was developed.
13. The OIP Programme Business Case Update outlined an overall programme that is cohesive, integrated, and highly shovel-ready. As with other infrastructure programmes, it outlined significant increases in the forecast cost to complete the programme, but also noted the significant steps taken to reduce scope and cost.
14. Timings associated with the existing programme, the Fuels Precinct and the remaining programme are summarised in the table below:

Tranches	WOLC ² \$M	Indicative Construction Dates	Funding dates
1 – Initial Works	s.9(2)(j)	Currently underway	Funded internally
2 – Fuels Precinct	s.9(2)(j)	s. 9(2)(g)(i)	Funding sought now
Future Tranches – Rest of the programme	To be confirmed in subsequent Detailed Business Case(s), in Q2 2023.		Funding sought via future budgets

Table 1 – Programme scheduling

Next steps

15. With Cabinet's approval, the NZDF will progress the OIP with the following steps:
 - 15.1. s. 9(2)(f)(iv)
 - 15.2. s. 9(2)(f)(iv)
 - 15.3. Follow up with Detailed Business Cases to be developed for the remainder of the Ohakea Infrastructure Programme, targeting future Budget rounds and subject to future Budget processes.

² Whole of Life Costs (WOLC)

Background

RNZAF Base Ohakea is essential for NZDF commitments at home and in the Pacific

16. RNZAF Base Ohakea plays an essential role in New Zealand's national security. It is the base for NZDF helicopters and light aircraft, and from late-2022 will become home to the P-8A Poseidon maritime patrol aircraft. The base supports a range of commitments in New Zealand and across the Pacific, including civil defence, border patrol, resource protection, search and rescue, humanitarian aid and disaster relief, and peacekeeping operations.
17. Through Ohakea Project Alternate, the base provides an alternate airfield for commercial airlines. This unique contribution allows for savings of 30,000 tonnes of carbon emissions, eight million kilograms of fuel not burned, and \$2 million in fees recovered from commercial airlines each year.

The NZDF is addressing significant infrastructure shortfalls at RNZAF Base Ohakea

18. The OIP comprises fourteen projects that were prioritised from across the Defence Estate. The programme addresses significant shortfalls relating to the age, condition, compliance, and fitness-for-purpose of existing facilities and infrastructure at RNZAF Base Ohakea. The programme also provides a general uplift to the base's capacity, which will support the increased base population and rate of flying with the arrival of No. 5 Squadron and the P-8A Poseidon.
19. Cabinet approved the programme in 2020 [CAB-20-MIN-0011 refers] and the first tranche of works in the same year [GOV-MIN-20-0031 refers]. These approvals enabled the NZDF to commit \$90 million to fund programme set up and overheads, design costs for the entire programme, delivery of the first tranche works, and a contribution to a regional water scheme.
20. The OIP is already achieving early successes, with the first tranche underway, and detailed design either complete or nearing completion for the remaining projects. This highly shovel-ready programme is ready to progress once it is funded.

Ohakea Fuels Precinct Detailed Business Case

Addressing Base Ohakea's fuels facilities is the next step of the programme

21. The NZDF seeks the establishment of tagged capital and operating contingencies for the Fuels Precinct. This will be a new, integrated complex, that includes fuel storage tanks with s.6(a) litres of usable capacity, a covered parking area for refueller tankers, offices, classroom, and workshop. s. 9(2)(g)(i)

The NZDF is ready to commence work on the new Fuels Precinct as soon as approvals and funding allows.

22. This investment complements the P-8A Poseidon procurement by increasing the base's fuel holding capacity and providing a defueling capability, which is necessary for the new aircraft. It remained out of scope for the P-8A Poseidon project as it was already accounted for through the Defence Estate Regeneration Programme (DERP). s. 6(a)

Fuelling at Ohakea is crucial to military operations and national resilience

23. Efficient refuelling operations and maintaining sufficient fuel supplies are essential for the NZDF to be able to deliver military outputs, respond to national emergencies, support the Pacific during a period of sharpening strategic competition and climate change effects, and support new capabilities such as the P-8A Poseidon. The Fuels Precinct will provide a necessary uplift to RNZAF Base Ohakea's refuelling capabilities, s.6(a)

24. s.6(a)

25. s.6(a)

26. s.6(a)

27. s.6(a)

The previously agreed solution remains the preferred option

28. The preferred option was outlined and approved in the original 2020 Programme Business Case. The NZDF reassessed these options for the detailed business case. These were evaluated against the investment objectives, critical success factors, and their associated risk profiles. Three options were considered:

28.1. Retain the existing facilities, monitor compliance issues and associated risks.

28.2. Repair and upgrade the current facilities to maintain compliance.

28.3. Construct a Fuels Precinct with RNZAF Base Ohakea's fuels facilities and infrastructure collocated in a new, integrated complex.

29. The Fuels Precinct remains the preferred option. s. 9(2)(g)(i) This option also minimises disruption to base operations during the construction phase.

Project Risks

30. The key risk to the successful delivery of the Fuels Precinct are global supply chain constraints, high levels of construction escalation, and a busy regional construction market. These factors have been taken into account in the Detailed Business Case, and are mitigated by s.9(2)(j) early market engagement, noting that the current construction environment is such that risks remain to project costs and timelines. s.6(a)

Update on the overall Ohakea Infrastructure Programme

The situation has evolved since the OIP was established

31. To provide context for the investment decision associated with the Fuels Precinct, and set out the recommended future direction of the programme, the OIP Programme Business Case Update (the OIP Update) was developed.
32. The OIP Update gives an updated and increased estimate of costs for the full programme (since the programme was originally approved in 2020). It acknowledges the impact of construction cost escalation and global supply chain disruption, design development and better understanding of specific issues, such as the management of contaminated soil and water. It also details some of the measures the NZDF has taken to control scope and cost.

The NZDF has undertaken a multi-faceted review of the programme...

33. The increase in construction cost estimates led the NZDF to review the programme from a number of perspectives and examine the following measures:
- 33.1. Removing projects from the programme scope.
 - 33.2. Extending the programme timeline, to reduce annual capital requirements.
 - 33.3. Re-sequencing to prioritise wellbeing, operations, or constructability.

... and reaffirmed the programme's scope, sequencing, and timeline

34. As part of this review, the NZDF identified projects that could be removed to keep the programme within the original capital envelope. These included the Single Living Accommodation, Logistics Warehouse, and Explosives Storehouse. It was determined that the full scope remains the preferred option, as these projects are necessary for RNZAF Base Ohakea to continue to support New Zealand Defence priorities. Maintaining the full scope allows the NZDF to realise the practical and commercial advantages of a programme approach, which was designed into the programme based on previous advice to Cabinet [GOV-MIN-20-0031 refers].

Next steps for the remainder of the programme

35. Subject to any Budget process requirements, Budget 2023 is the targeted mechanism for funding the full programme, and a detailed business case for the

rest of the programme is under development to support any Budget initiatives. There remain significant uncertainties associated with capital estimates. The detailed business case for remaining tranches will consider ways to mitigate any further cost increases.

Financial Implications

36. The financial implications for the Fuels Precinct were developed in consultation with the Treasury. The following table summarises the estimated capital required and operating cost impacts of the Fuels Precinct, with further detail provided in the sections below.

Remaining Tranches	New capital required \$M	Net operating uplift (steady state from FY 26/27 onwards) \$M	Operating costs over forecast period \$M
Tranche 2 – Fuels Precinct		s.9(2)(j)	

Table 2 – Summary of new capital and operating uplift required

Fuels Precinct - new capital required

37. The capital required for delivery of the Fuels Precinct is outlined in the table below, and is based on a detailed design cost estimate. New capital requirements are inclusive of costs associated with procurement and construction, as well as project and programme level contingencies. Previous expenditures, such as design costs and programme overheads, are not included in these figures.

Capital costs (\$M)	2022/23	2023/24	2024/25	2025/26	Total
Tranche 2 – Fuels Precinct			s.9(2)(j)		

Table 3 – Summary of capital required

Fuels Precinct – uplift to operating baselines required

38. Operating costs for the Fuels Precinct are made up of direct operating costs, scheduled replacement costs, annual maintenance to keep the facility compliant, and an estimated unscheduled maintenance cost for repairs supporting the structure, external envelope, internal finishes, and building services.
39. The estimated annual operating costs are s.9(2)(j) per annum. The cost of running the current facilities within NZDF baselines is s.9(2)(j). As a result, additional funding sought to maintain the Fuels Precinct is s.9(2)(j) per annum at steady state.
40. The estimated depreciation expense arising from this investment is s.9(2)(j). NZDF can afford s.9(2)(j) within current baselines. As a result Defence will require a depreciation funding increase of s.9(2)(j) to reflect the value of the Tranche 2 – Fuels Precinct assets created.
41. A capital charge of s.9(2)(j) at steady state will be incurred on s.9(2)(j) on the capital injection that is sought for the Fuels Precinct.

42. The total Tranche 2 – Fuels Precinct operating funding uplift requirements to Vote Defence Force are summarised below. This paper seeks approval, via establishment of a tagged contingency, for an increase in Vote Defence Force operating baseline uplift of s.9(2)(j) per annum at steady state from FY2026/27 and out years (total of s.9(2)(j) over the forecast period).

Operating costs (\$M)	2022/23	2023/24	2024/25	2025/26	2026/27 and Out years	Total forecast period
Operating expenses uplift					s.9(2)(j)	
Depreciation						
Capital charge at 5%						
Sub-total						

Table 4 – Summary of uplift to operating baselines required

Out of cycle funding for Tranche 2

43. The Fuels Precinct cannot be met within existing baselines (including for the reasons discussed in the OIP Update). If funding was deferred until Budget 2023, the procurement and delivery timeline would be delayed by at least eight months. s.6(a)

The remainder of the programme

44. A detailed business case will be submitted to Cabinet for the remainder of the programme, with funding decisions subject to future budget processes.

Next Steps

45. If this business case is approved, the NZDF will:

45.1. s. 9(2)(f)(iv)

45.2. s. 9(2)(f)(iv)

45.3. Follow up with Detailed Business Cases to be developed for the remainder of the Ohakea Infrastructure Programme, targeting future Budget rounds and subject to future Budget processes.

Other Implications

46. There are no human rights, legislative, regulatory, gender, or disability implications resulting from this investment. This investment does not require a Regulatory Impact Statement or Climate Implications of Policy Assessment. The NZDF is engaging with local iwi to ensure that it meets its obligations under the Treaty of Waitangi.

Independent Review

47. A Targeted Investment Review (Gateway 3) was completed for the OIP over 15 to 19 August 2022, achieving a green/amber confidence assessment that stated:

... funding certainty is the biggest risk to successful delivery. OIP has a strong and maturing programme team and if funding is approved, then successful delivery seems likely provided mitigation can be developed to manage external supply constraints and internal resourcing constraints.³

Consultation

48. This paper has been consulted with the Ministry of Defence, Treasury, New Zealand Infrastructure Commission, Ministry of Business, Innovation, and Employment, Ministry of Foreign Affairs and Trade, National Emergency Management Agency, and Public Service Commission (Appendix C). The Department of the Prime Minister and Cabinet has been informed.

Communications

49. If approved by Cabinet, Defence Public Affairs will prepare a press statement for release via the Office of the Minister of Defence.

Proactive Release

50. This paper will be proactively released within 30 business days of Cabinet's decision, subject to any appropriate redactions.

Recommendations

51. The Minister of Defence recommends that the Committee:

RNZAF Base Ohakea Fuels Precinct

1 **agree** for the New Zealand Defence Force to proceed with the preferred option for Ohakea Infrastructure Programme Tranche 2 – Fuels Precinct;

2 **s.6(a)**

3 **note** that the annual operating costs for Tranche 2 - Fuels Precinct are estimated to be **s.9(2)(j)** per annum (at steady state from financial year 2026/27) and that at steady state, after allowing for offsets within current baselines, the incremental operating costs are estimated to be **s.9(2)(j)** above current Vote Defence Force baselines;

4 **note** that the annual depreciation uplift is **s.9(2)(j)** (per annum at steady state from financial year 2026/27);

5 **note** that the capital charge expense is **s.9(2)(j)** (per annum at steady state from financial year 2026/27);

6 **note** that the operating uplift to Vote Defence Force baselines is **s.9(2)(j)** per annum at steady state from financial year 2026/27;

7 **note** that the total capital cost (including contingency) for the proposed solution for Tranche 2 - Fuels Precinct is **s.9(2)(j)**

³ Gateway Review Report for Ohakea Infrastructure Programme (OIP): Review 0/2 Programme Strategic Assessment / Tranche 2 Delivery Strategy, August 2022 (p. 1)

- 8 **agree** to establish tagged operating and capital contingencies associated with the Vote Defence Force portfolio of up to the following amounts to provide for Ohakea Infrastructure Project Tranche 2 Fuels Precinct

	NZ (\$M) – increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 and out years
Ohakea Infrastructure Project Tranche 2 Fuels Precinct – tagged operating contingency	s.9(2)(j)				
Ohakea Infrastructure Project Tranche 2 Fuels Precinct – tagged capital contingency	s.9(2)(j)				

- 9 **authorise** the Minister of Defence and the Minister of Finance jointly to draw down the tagged contingency funding in recommendation 8 for costs associated with construction of the Fuels Precinct on their approval of an implementation business case;
- 10 **agree** that the tagged operating contingency in recommendation 8 above be charged against the between-Budget contingency established at Budget 2022;
- 11 **agree** that the tagged capital contingency in recommendation 8 above be charged as a pre-commitment against the multi-year capital allowance;

Update on the remainder of the Ohakea Infrastructure Programme

- 12 **Note** that the Ohakea Infrastructure Programme Business Case Update was developed to provide context for the investment decision associated with the Fuels Precinct, to detail changes to scope, timing and costs, and to set out the recommended future direction of the programme; and
- 13 **Note** that a Detailed Business Case will be developed for the remainder of the Ohakea Infrastructure Programme, targeting future Budget rounds and subject to future Budget processes.

Authorised for lodgement

Hon Peeni Henare
Minister of Defence

Appendices

- A. Base Ohakea Fuels Precinct Infographic **Appendix A withheld under s.6(a).**
- B. Summary of agency feedback

Enclosures **Enclosures withheld under s.9(2)(b)(ii), s.9(2)(f)(iv), and s.9(2)(j)**

1. OIP Tranche 2 - Fuels Precinct Detailed Business Case
2. OIP Programme Business Case Update

Appendix B – Summary of agency feedback

Agency	Summary of Feedback
Treasury	Strengthen the case for seeking funding outside the Budget cycle for the Fuels Precinct. Detailed feedback on the Cabinet Paper and business cases, including the case for change, greater detail on the causes of cost escalation, and technical feedback on the financial cases and recommendations structure.
Ministry of Defence	Advice on the funding and approvals structure was provided and incorporated into follow-on detailed discussions with the Treasury. Further feedback focused on the overall structure of the Cabinet Paper.
New Zealand Infrastructure Commission	Decisions and trade-offs are well presented in the paper. No suggestions.
Ministry of Business, Innovation, and Employment	Provide detail in the Fuels Precinct DBC on how Broader Outcomes will be incorporated into procurement and delivery.
Ministry of Foreign Affairs and Trade	Supportive of the OIP, which clearly advances and supports New Zealand's interests in the Pacific. Also supports appropriate facilitation of the P-8s, given the role they will play in supporting the rules-based international system. Recommended that the sharpening strategic competition in the Pacific should also be emphasized.
National Emergency Management Agency	<p>Suggested a stronger case for seeking immediate capital injection, including implications for the Treaty of Waitangi, and the strategic importance of Base Ohakea to the National Security System including NEMA and national Crisis Management. All of these points were incorporated.</p> <p>Noted that the Fuels Precinct DBC did not consider an option to outsource refueling operations to a commercial vendor. This had been considered and discarded during the development of the original PBC, as the NZDF seeks to own and operate its own critical infrastructure to ensure continuity of operations.</p>
Public Service Commission	No comment.