

Vote Defence Force

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Defence (M22)

ADMINISTERING DEPARTMENT: New Zealand Defence Force

MINISTER RESPONSIBLE FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Overview of the Vote

The Minister of Defence is responsible for appropriations in Vote Defence Force, totalling just over \$2,628 million, for the 2008/09 financial year covering the following:

- a total of nearly \$2,008 million on the Navy, Army, and Air Force to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand. These forces are held at appropriate levels of capability and preparedness to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts. Most of these forces will also contribute a range of services to other government departments and the New Zealand community when not committed to operations overseas. The breakdown of appropriations, by Service, is as follows:
 - Navy: just over \$658 million
 - Army: just over \$774 million
 - Air Force: just over \$575 million
- a total of just over \$54 million on operationally deployed forces [previously under a three-year (2005/06 to 2007/08) Multi-Year Appropriation]
- a total of nearly \$14 million on a Multi-Class Output Appropriation (MCOA), Miscellaneous Support Activities, that includes New Zealand Defence Force support to the Mutual Assistance Programme, the New Zealand Cadet Forces, the Limited Service Volunteer Scheme (a service provided to the Ministry of Social Development) and Service Military Museums
- a total of just over \$10 million on military policy development, coordination and advice to the Government
- a Capital Expenditure appropriation of \$542 million for the purchase of assets, including items on the Defence Long-Term Development Plan.

The New Zealand Defence Force expects to recognise about \$19 million in third-party revenue (Revenue Department and Revenue Other) in 2008/09.

Details of these appropriations are set out in Parts 2-6 for Vote Defence Force in the Information Supporting the Estimates of Appropriations.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Fixed Wing Transport Forces (M22) Provision of the capabilities of No 40 Squadron RNZAF (Boeing 757-200 and C-130 Hercules aircraft) prepared to conduct strategic and tactical air transport operations, including aeromedical evacuation, in accordance with NZDF Output Plan specifications, and to contribute support services to the community.	178,023	178,023	201,218
Land Combat Forces (M22) Provision of the capabilities of the Land Combat Forces (command, control, intelligence and manoeuvre force elements) prepared to conduct land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	324,682	324,682	354,832
Land Combat Service Support Forces (M22) Provision of the capabilities of the Land Combat Service Support Forces (transport, medical, supply, repair and movements force elements) prepared to support land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	135,134	135,134	154,984
Land Combat Support Forces (M22) Provision of the capabilities of the Land Combat Support Forces (artillery, engineers, communications and military police force elements) prepared to conduct land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	171,654	171,654	201,599
Maritime Patrol Forces (M22) Provision of the capabilities of No 5 Squadron RNZAF (P-3K Orion aircraft) prepared to conduct maritime surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, to conduct search and rescue missions, and to conduct maritime air operations, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.	149,736	149,736	166,855
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (M22) Provision of the capabilities of the hydrographic and oceanographic survey vessel, HMNZS RESOLUTION, specialist personnel and support infrastructure to conduct military hydrography in accordance with NZDF Output Plan specifications, and hydrographic data collection and processing that meets contractual commitments to Land Information New Zealand (LINZ). This output expense is supported by the Hydrographic Business Unit.	15,270	15,270	15,996
Military Policy Development, Coordination and Advice (M22) Provision of advice to the Minister of Defence on military contributions to New Zealand's foreign policy and military responses to contingencies, in accordance with NZDF Output Plan specifications. This output expense also includes military intelligence, responses to ministerial correspondence, select committee and parliamentary questions, Official Information Act inquiries, and Ombudsmen correspondence.	10,204	10,204	10,352
Mine Countermeasures (MCM) and MCM Diving Forces (M22) Provision of the capabilities of the Mine Countermeasures (MCM) Forces, HMNZS MANAWANUI with HMNZS KAHU as backup, prepared to conduct route surveys and conditioning of selected New Zealand ports, and the provision of the Operational Diving Team prepared to support MCM operations and to conduct independent diving tasks, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.	27,131	27,131	30,950

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses – cont'd			
Miscellaneous Support Activities MCOA (M22)	-	-	13,774
<i>Support to Limited Service Volunteer Scheme</i> This output class is limited to the conduct of Limited Service Volunteer courses for unemployed or disadvantaged youth, selected by the Ministry of Social Development, to encourage these youth towards employment.	-	-	2,576
<i>Support to Mutual Assistance Programme (MAP)</i> This output class is limited to the provision of training, technical advice and resources to the defence forces and law enforcement agencies of participant countries under the Mutual Assistance Programme (MAP), both in New Zealand and in MAP countries.	-	-	1,977
<i>Support to New Zealand Cadet Forces</i> This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.	-	-	2,897
<i>Support to Service Military Museums</i> This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.	-	-	6,324
Naval Combat Forces (M22) Provision of the capabilities of the frigates, HMNZ Ships TE KAHA and TE MANA, prepared to conduct maritime operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	385,241	385,241	398,056
Naval Helicopter Forces (M22) Provision of the capabilities of No 6 Squadron RNZAF (Seasprite SH-2G helicopters) prepared to conduct maritime operations in support of other Output Expenses, especially the Naval Combat Forces, Naval Support Forces and Naval Patrol Forces, in accordance with NZDF Output Plan specifications.	79,073	79,073	82,275
Naval Patrol Forces (M22) Provision of the capabilities of the Offshore and Inshore Patrol Vessels (OPVs, IPVs) prepared for the conduct of maritime operations in support of Multi-Agency Operations and Tasks (MAO&T), and for the security and protection of New Zealand's economic border and EEZ, in accordance with NZDF Output Plan specifications. Once in service the OPVs will also be prepared to conduct sovereignty and resource protection patrol operations in the Southern Ocean, Ross Dependency, South Pacific region and further afield when directed.	61,912	61,912	104,652
Naval Support Forces (M22) Provision of the capabilities of the Fleet Replenishment Ship, HMNZS ENDEAVOUR, and the Multi-Role Vessel, HMNZS CANTERBURY, prepared to conduct maritime logistic support and amphibious sealift operations for deployed military forces, in accordance with NZDF Output Plan specifications. This output expense also includes contributions to a range of services provided to Government and the community.	92,677	92,677	108,664
Operationally Deployed Forces Annual (M22) The provision of deployed force elements on military tasks, including the commitments agreed by Government under which the NZDF contributes to peace support and other operations conducted in support of the United Nations and other international agencies. It includes the provision of individuals, observers, advisers, instructors, headquarters staff, and complete force elements and contingents.	-	-	54,110
Rotary Wing Transport Forces (M22) Provision of the capabilities of No 3 Squadron RNZAF (Iroquois helicopters) prepared to conduct tactical air transport, including aeromedical evacuation, and counter-terrorist operations, and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	118,859	118,859	124,891

Titles and Scopes of Appropriations by Appropriation Type	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Special Operations Forces (M22) Provision of the capabilities of the Special Operations Forces prepared to conduct special forces operations in support of land operations, counter-terrorist operations, and the provision of Chemical, Biological, Radiological, Explosive, Improvised Explosive Device Disposal (CBRE IEDD) that threaten public safety or national interests, in accordance with NZDF Output Plan specifications.	51,063	51,063	62,968
Miscellaneous Support Activities (M22) Provision of the NZDF infrastructure and planned support to regional defence forces and the New Zealand community provided by identified elements of the NZDF. It includes support provided under the auspices of the Mutual Assistance Programme, support to the New Zealand Cadet Forces, training of Limited Service Volunteers and the provision of Service Museums, in accordance with NZDF Output Plan specifications.	14,295	14,295	-
Total Departmental Output Expenses	1,814,954	1,814,954	2,086,176
Other Expenses to be incurred by the Department			
Asset Write-Offs (M22) To provide for the expensing of capitalised items that have no ongoing utility.	2,700	2,700	-
Total Other Expenses to be incurred by the Department	2,700	2,700	-
Capital Expenditure to be Incurred by the Department			
New Zealand Defence Force - Capital Expenditure PLA (M22) This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989	412,152	373,925	541,956
Total Capital Expenditure to be Incurred by the Department	412,152	373,925	541,956
Total Annual and Permanent Appropriations	2,229,806	2,191,579	2,628,132

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriation	\$000
Departmental Output Expenses		
Operationally Deployed Forces (M22)	Original Appropriation	66,999
<p>The provision of force elements for routine operational deployments in support of the United Nations and other relevant multinational agencies as approved by the Government, in accordance with NZDF Output Plan specifications.</p> <p>Commences: 1 July 2005</p> <p>Expires: 30 June 2008</p>	Adjustments to 2006/07	71,179
	Adjustments for 2007/08	(7,311)
	Adjusted Appropriation	130,867
	Actual to 2006/07 Year End	59,575
	Estimated Actual for 2007/08	71,292
	Estimated Actual for 2008/09	-
	Estimated Appropriation Remaining	-

Details of Projected Movements in Departmental Net Assets

New Zealand Defence Force

Details of Net Asset Schedule	Estimated Actual 2007/08 \$000	Projected 2008/09 \$000	Explanation of Projected Movements in 2008/09
Opening Balance	4,702,521	4,787,655	
Capital Injections	73,395	54,190	The changes recognise a transfer of \$54.190 million to 2008/09 from an original 2007/08 Main Estimates value of \$127.585 million.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	11,751	-	The surplus includes unrealised foreign exchange gains of \$14.5 million recognised as at 29 February 2008 offset by a \$2.7 million asset write-off, should it be required.
Other Movements	(12)	2,700	To maintain the Net Asset value should a \$2.7 million asset write-off in 2007/08 not be required.
Closing Balance	4,787,655	4,844,545	