

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

Part 1.1 - Overview of the Vote

The Minister of Defence is responsible for appropriations in Vote Defence Force, totalling just over \$2,911 million, for the 2011/12 financial year.

This includes just over \$2,308 million for departmental output expenses covering the following:

- a total of just over \$2,195 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 under \$693 million
 - Army: just over \$832 million
 - Air Force: just over \$670 million
- a total of just under \$71 million on Operationally Deployed Forces
- a total of just over \$25 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, Government-initiated Youth Development Schemes (Limited Service Volunteer courses, Service Academies and Military-style Activity Camps), and Service Military Museums
- a total of just over \$17 million on military policy development, coordination and advice to the Government.

Just under \$3 million provides for departmental other expenses (disposal of decommissioned assets and maintenance of assets awaiting sale). There is also a capital expenditure appropriation of up to \$600 million for the purchase of assets. Of the total output expenses, the New Zealand Defence Force expects to recognise about \$33 million in third-party revenue (Revenue Department and Revenue Other) in 2011/12. The remainder is funded from Revenue Crown.

Details of these appropriations are set out in Parts 2-6 below.

Details of Appropriations

Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Airborne Surveillance and Response Forces (M22) This appropriation is limited to the provision of the capabilities of No 5 Squadron RNZAF (P-3K2 Orion aircraft) prepared to conduct airborne surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, to conduct search and rescue missions, and to conduct maritime and land air operations, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.	165,650	165,650	176,704
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.	248,843	248,843	261,010
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.	389,889	389,889	384,233
Land Combat Service Support Forces (M22) Provision of the capabilities of the Land Combat Service Support Forces (transport, medical, supply, maintenance support and movements force elements) prepared to support land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	154,137	154,137	158,141
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.	211,712	211,712	215,292
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.	15,384	15,384	13,863
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.	15,795	15,795	17,181
Mine Countermeasures (MCM) and MCM Diving Forces (M22) Provision of the capabilities of the Mine Countermeasures (MCM) Forces, including HMNZS MANAWANUI, 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.	24,592	24,592	25,075

Titles and Scopes of Appropriations by Appropriation Type	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses - cont'd			
Miscellaneous Support Activities MCOA (M22)	26,734	26,734	25,247
<i>Support to Mutual Assistance Programme (MAP)</i> This output class is limited to the provision of training, technical advice and resource support to the defence forces of MAP partner countries, both in New Zealand and in the partner countries. Specialist niche training is also provided to the law enforcement agencies of South Pacific MAP partner countries.	2,810	2,810	2,790
<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.	3,555	3,555	3,559
<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.	6,198	6,198	6,454
<i>Support to Youth Development</i> This output class is limited to New Zealand Defence Force support to government initiated youth development schemes in New Zealand, being the conduct of Limited Service Volunteer courses and contributions to Youth Life Skills programmes (Service Academies and Military-style Activity Camps).	14,171	14,171	12,444
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.	402,504	402,504	408,199
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.	89,745	89,745	88,748
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. 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.	125,523	125,523	139,840
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.	104,849	104,849	105,803
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.	78,295	78,295	70,541
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.	123,025	123,025	143,595

	2010/11		2011/12
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Special Operations Forces (M22)	73,630	73,630	74,915
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.			
Total Departmental Output Expenses	2,250,307	2,250,307	2,308,387
Departmental Other Expenses			
Disposal of Decommissioned Assets (M22)	500	500	500
This appropriation is limited to the disposal costs of decommissioned assets.			
Maintenance of Assets Awaiting Sale (M22)	2,750	2,750	2,250
This appropriation is limited to costs necessary to keep assets awaiting sale in a saleable condition.			
Total Departmental Other Expenses	3,250	3,250	2,750
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22)	400,000	400,000	600,000
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.			
Total Departmental Capital Expenditure	400,000	400,000	600,000
Total Annual and Permanent Appropriations	2,653,557	2,653,557	2,911,137

Details of Projected Movements in Departmental Net Assets

New Zealand Defence Force

Details of Net Asset Schedule	2010/11 Estimated Actual \$000	2011/12 Projected \$000	Explanation of Projected Movements in 2011/12
Opening Balance	5,652,726	5,650,564	
Capital Injections	6,635	38,235	The change recognises agreement to provide for the forecast \$13.235 million cost of the Protector Remediation Programme during 2011/12 and a \$25 million capital injection funded from 2010/11 operating savings.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(3,250)	(2,750)	The change recognises the forecast cost of expensing decommissioned assets during 2011/12.
Other Movements	(5,547)	2,750	A technical change to maintain the Departmental Net Asset value, if a forecast 2011/12 deficit for other asset related technical changes do not occur. The Estimated Actual for 2010/11 recognises Revaluation reserve movements.
Closing Balance	5,650,564	5,688,799	