

Information Supporting the Supplementary Estimates

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

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2012/13				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	2,404,239	(163,420)	-	(163,420)	2,240,819
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	250	-	-	-	250
Capital Expenditure	496,000	(178,000)	-	(178,000)	318,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	2,900,489	(341,420)	-	(341,420)	2,559,069
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Airborne Surveillance and Response Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will increase by \$3.657 million to \$182.184 million for 2012/13. This increase relates to:

- an increase of \$3.657 million to provide for 2012/13 NZDF resource reprioritisation.

Fixed Wing Transport Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$17.382 million to \$252.817 million for 2012/13. This decrease relates to:

- a decrease of \$17.382 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Land Combat Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$28.271 million to \$335.126 million for 2012/13. This decrease relates to:

- a decrease of \$28.271 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Land Combat Service Support Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$4.049 million to \$166.502 million for 2012/13. This decrease relates to:

- a decrease of \$4.049 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Land Combat Support Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$10.905 million to \$212.150 million for 2012/13. This decrease relates to:

- a decrease of \$10.905 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Littoral Warfare Support Forces (M22)

Scope of Appropriation

This appropriation is limited to the provision of capabilities necessary to ensure access to and the use of harbours, inshore waters and associated coastal zones in New Zealand and wherever NZDF deployed maritime forces are required to operate. This capability is delivered through the combination of HMNZS Manawanui, the Mine Countermeasures Team, the Operational Diving Team and the Maritime Survey Team. This output expense also includes contributions to a range of services to other government agencies and the community.

Reasons for Change in Appropriation

This appropriation will decrease by \$8.325 million to \$33.162 million for 2012/13. This decrease relates to:

- a decrease of \$8.325 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Miscellaneous Support Activities MCOA (M22)

Scope of Appropriation

Support to Mutual Assistance Programme (MAP)

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.

Support to New Zealand Cadet Forces

This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.

Support to Service Military Museums

This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.

Support to Youth Development

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).

Explanation for Use of Multi-Class Output Expense Appropriation

Outputs of a miscellaneous and disparate nature that do not individually justify separate Departmental Output Expense recognition have been grouped to provide for improved transparency and accountability.

Reasons for Change in Appropriation

This appropriation will increase by \$1.401 million to \$26.021 million for 2012/13. This increase relates to:

- an increase of \$1.401 million to provide for 2012/13 NZDF resource reprioritisation.

Naval Combat Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$19.836 million to \$337.625 million for 2012/13. This decrease relates to:

- a decrease of \$19.836 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Naval Helicopter Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$8.242 million to \$86.511 million for 2012/13. This decrease relates to:

- a decrease of \$8.242 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Naval Patrol Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$11.148 million to \$125.805 million for 2012/13. This decrease relates to:

- a decrease of \$11.148 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Naval Support Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$26.166 million to \$99.612 million for 2012/13. This decrease relates to:

- a decrease of \$26.166 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspend.

Operationally Deployed Forces Annual (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$2.293 million to \$65.361 million for 2012/13. This decrease relates to:

- a decrease of \$2.293 million to provide for 2012/13 NZDF resource reprioritisation.

Policy Advice and Related Outputs MCOA (M22)

Scope of Appropriation

Ministerial Services

This output class is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Policy Advice

This output class is limited to the provision of advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Defence and the New Zealand Defence Force.

Strategic Military Intelligence

This output class is limited to the collection, collation, analysis and dissemination of strategic military intelligence on areas of interest to New Zealand.

Explanation for Use of Multi-Class Output Expense Appropriation

This appropriation is limited to the provision of policy advice to the Minister and contributions to policy advice led by other agencies, Ministerial services, and the collection and dissemination of strategic military intelligence and contributions to the national intelligence community. This appropriation is a MCOA because Ministerial services and strategic military intelligence support the provision of policy advice.

Reasons for Change in Appropriation

This appropriation will increase by \$1.182 million to \$16.529 million for 2012/13. This decrease relates to:

- an increase of \$1.182 million to provide for 2012/13 NZDF resource reprioritisation.

Rotary Wing Transport Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$25.088 million to \$221.200 million for 2012/13. This decrease relates to:

- a decrease of \$25.088 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Special Operations Forces (M22)

Scope of Appropriation

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$7.955 million to \$80.214 million for 2012/13. This decrease relates to:

- a decrease of \$7.955 million to provide for 2012/13 NZDF resource reprioritisation, and the management of future operating pressures through the Retention of Underspends.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

New Zealand Defence Force - Capital Expenditure PLA (M22)

Scope of Appropriation

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.

Capital Expenditure

	2012/13		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	487,342	(188,339)	299,003
Intangibles	8,658	10,339	18,997
Other	-	-	-
Total Appropriation	496,000	(178,000)	318,000

Reasons for Change in Appropriation

This appropriation will decrease by \$178 million to \$318 million for 2012/13, mainly as a result of less than expected payments to the Ministry of Defence for the purchase of Specialist Military Equipment (SME).