

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 \$2,900 million for the 2012/13 financial year.

This includes just over \$2,404 million for departmental output expenses covering the following:

- a total of just over \$2,296 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 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 \$662 million
 - Army: just over \$845 million
 - Air Force: just under \$790 million
- a total of just under \$68 million on Operationally Deployed Forces
- a total of just under \$25 million on a Multi-Class Output Appropriation (MCOA), Miscellaneous Support Activities, that includes New Zealand Defence Force (NZDF) 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, and
- a total of just over \$15 million on a MCOA for ministerial services, policy advice and strategic military intelligence.

As part of the total appropriation, \$250,000 provides for departmental other expenses (disposal of decommissioned assets).

Of the total output expenses, about \$29 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2012/13. The remainder is funded from Revenue Crown.

There is also a capital expenditure appropriation of up to \$496 million for the purchase of assets.

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	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Airborne Surveillance and Response Forces (M22)	164,662	164,662	178,527
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.			
Fixed Wing Transport Forces (M22)	243,731	243,731	270,199
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.			
Land Combat Forces (M22)	365,186	365,186	363,397
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.			
Land Combat Service Support Forces (M22)	160,666	160,666	170,551
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.			
Land Combat Support Forces (M22)	212,941	212,941	223,055
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.			
Littoral Warfare Support Forces (M22)	24,060	24,060	41,487
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.			
Miscellaneous Support Activities MCOA (M22)	23,992	23,992	24,620
<i>Support to Mutual Assistance Programme (MAP)</i>	2,356	2,356	2,363
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.			
<i>Support to New Zealand Cadet Forces</i>	3,388	3,388	3,355
This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.			
<i>Support to Service Military Museums</i>	4,874	4,874	5,538
This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.			

Titles and Scopes of Appropriations by Appropriation Type	2011/12		2012/13
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses - cont'd			
<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).	13,374	13,374	13,364
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.	353,306	353,306	357,461
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.	88,122	88,122	94,753
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.	129,515	129,515	136,953
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.	101,723	101,723	125,778
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.	61,086	61,086	67,654
Policy Advice and Related Outputs MCOA (M22)	-	-	15,347
<i>Ministerial Services</i> 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.	-	-	1,486
<i>Policy Advice</i> 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.	-	-	1,756
<i>Strategic Military Intelligence</i> This output class is limited to the collection, collation, analysis and dissemination of strategic military intelligence on areas of interest to New Zealand.	-	-	12,105
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.	140,582	140,582	246,288

Titles and Scopes of Appropriations by Appropriation Type	2011/12		2012/13
	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.	76,673	76,673	88,169
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.	13,862	13,862	-
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.	17,398	17,398	-
Total Departmental Output Expenses	2,177,505	2,177,505	2,404,239
Departmental Other Expenses			
Disposal of Decommissioned Assets (M22) This appropriation is limited to the disposal costs of decommissioned assets.	600	600	250
Maintenance of Assets Awaiting Sale (M22) This appropriation is limited to costs necessary to keep assets awaiting sale in a saleable condition.	2,250	2,250	-
Total Departmental Other Expenses	2,850	2,850	250
Departmental Capital Expenditure			
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.	432,000	432,000	496,000
Total Departmental Capital Expenditure	432,000	432,000	496,000
Total Annual and Permanent Appropriations	2,612,355	2,612,355	2,900,489

Details of Projected Movements in Departmental Net Assets

New Zealand Defence Force

Details of Net Asset Schedule	2011/12 Estimated Actual \$000	2012/13 Projected \$000	Explanation of Projected Movements in 2012/13
Opening Balance	5,655,854	5,693,991	
Capital Injections	38,435	11,800	The change represents the comparative impact of the Protector Remediation Programme (\$1.435 million), a one off 2011/12 injection for a Veterans technology initiative (\$200,000) and the conversion of a 2010/11 operating underspend (\$25 million)
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(2,850)	(250)	The change represents the forecast cost of expensing decommissioned assets
Other Movements	2,552	250	The change represents revaluation reserve adjustments (\$2.552 million) in 2011/12 only, and the 2012/13 forecast cost of expensing decommissioned assets (\$250,000)
Closing Balance	5,693,991	5,705,791	