

Information Supporting the Supplementary Estimates

Vote Defence

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

ADMINISTERING DEPARTMENT: Ministry of Defence

MINISTER RESPONSIBLE FOR MINISTRY OF DEFENCE: Minister of Defence

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2009/10				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	10,511	1,197	-	1,197	11,708
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	369,249	107	(56,037)	(55,930)	313,319
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	379,760	1,304	(56,037)	(54,733)	325,027
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	400	N/A	(200)	(200)	200
Capital Receipts	442,791	N/A	(268,673)	(268,673)	174,118
Total Crown Revenue and Capital Receipts	443,191	N/A	(268,873)	(268,873)	174,318

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Audit and Assessment of Performance (M22)

Scope of Appropriation

This appropriation is limited to audits and assessments of the New Zealand Defence Force and the Ministry of Defence.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,909	(3)	1,906
Revenue from Crown	1,842	(3)	1,839
Revenue from Other	67	-	67

Reasons for Change in Appropriation

This appropriation will decrease by \$3,000 due to the transfer of output costs to the communication interoperability project led by another Vote.

Management of Equipment Procurement (M22)

Scope of Appropriation

Managing procurement or refurbishment, on behalf of the Crown, of various items of equipment contributing to a capability of the New Zealand Defence Force.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,933	1,004	4,937
Revenue from Crown	3,865	797	4,662
Revenue from Other	68	207	275

Reasons for Change in Appropriation

The appropriation will increase by \$1.004 million which is due primarily to an additional \$1 million costs incurred in contract warranty issues and additional pre-acquisition costs of \$207,000 which has been incurred in the purchase of specialised military equipment, and a reduction of \$200,000 due to a fiscally neutral transfer to Policy Advice. The pre-acquisition costs are recovered from the New Zealand Defence Force.

Policy Advice (M22)*Scope of Appropriation*

Policy advice, management of international defence relations and services to the Minister.

Expenses and Revenue

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,669	196	4,865
Revenue from Crown	4,601	196	4,797
Revenue from Other	68	-	68

Reasons for Change in Appropriation

This appropriation will increase by \$196,000 which relates to \$4,000 transfer of output costs to the communication inter-operability project led by another Vote and a transfer from Management of Equipment Procurement of \$200,000 to cover the costs of an improved value for money review within Defence.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Ministry of Defence - 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 Ministry of Defence, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	125	152	277
Intangibles	120	(45)	75
Other	-	-	-
Total Appropriation	245	107	352

Reasons for Change in Appropriation

The change in appropriation reflects a reprioritisation in the timing of the implementation of IT equipment and software upgrades and enhancements.

Part 6.2 - Non-Departmental Capital Expenditure

Defence Equipment (M22)

Scope of Appropriation

This appropriation is limited to the purchase, modification or refurbishment of major items of defence equipment for the New Zealand Defence Force.

Capital Expenditure

	2009/10		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	369,004	(56,037)	312,967

Reasons for Change in Appropriation

The changes to the appropriation are due to changes in the timing for various contractual milestone payments for existing projects.