



Cabinet

CAB Min (08) 14/1(15)

Minute of Decision

Copy No:

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2008 Budget Package: Vote Defence Force

On 14 April 2008, Cabinet:

- 1 **approve** the Budget initiatives for the above Vote for inclusion in the 2008 Budget package, as listed in the summary below and detailed in the attached initiative documents;

Summary of initiatives included in the attached initiative documents:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
4611	Defence Funding Package - Year 4	-	69.106	69.106	69.106	69.106
4612	Expense Transfer	(68.000)	68.000	-	-	-
4613	Transfer Dedicated Operationally Deployed Forces Funding For Future Activity	(7.313)	7.313	-	-	-
4614	Disposal Costs - Other Expense	-	-	-	-	-
Total Operating		(75.313)	144.419	69.106	69.106	69.106

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Total Capital		-	-	-	-	-

- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** the changes to appropriations and/or projected balances of net assets of the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the proposed changes to appropriations and/or projected balances of net assets for 2007/08 above be included in the 2007/08 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 5 **authorised** the Minister of Finance and the Vote Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2007/08 Supplementary Estimates, the 2008/09 Estimates and the fiscal forecasts;

- 6 **noted** that all communications relating to the 2008 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Secretary of the Cabinet

Reference: 2008 Budget package tabled
by the Minister of Finance

Distribution:

Prime Minister

Chief Executive, DPMC

Director PAG, DPMC

Minister of Finance

Secretary to the Treasury

Hon Jim Anderton

Minister of Defence

Secretary of Defence

Chief of Defence Force

Associate Minister of Finance (Hon Trevor Mallard)

Controller and Auditor-General

Vote: Defence Force

Title: Defence Funding Package - Year 4

Description: To provide for the recognition of the Budget 2008 element of an earlier Budget 2005 agreement to restore military and organisational capability through eventual new funding of \$4.6 billion in total, as a charge against future budgets.

Theme: National Identity

Theme Objective: New Zealand in the world

Performance Information

Performance Text

The restoration of military capability and the effective delivery of the outputs described in the Statement of Intent through new funding previously agreed in principle [POL Min (05) 2/2] as a consequence of the Defence Capability and Resourcing Review.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Operating Balance Impact	-	69.106	69.106	69.106	69.106
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	69.106	69.106	69.106	69.106

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12 & Outyears
Departmental Output Expenses (General):					
Fixed Wing Transport Forces (funded by Revenue Other)	-	0.256	0.256	0.256	0.256
Fixed Wing Transport Forces (funded by Revenue Dept)	-	(0.079)	(0.079)	(0.079)	(0.079)
Fixed Wing Transport Forces (funded by Revenue Crown)	-	4.137	4.137	4.137	4.137
Land Combat Forces (funded by Revenue Other)	-	(0.525)	(0.525)	(0.525)	(0.525)
Land Combat Forces (funded by Revenue Dept)	-	(0.046)	(0.046)	(0.046)	(0.046)
Land Combat Forces (funded by Revenue Crown)	-	13.108	13.108	13.108	13.108
Land Combat Service Support Forces (funded by Revenue Dept)	-	0.027	0.027	0.027	0.027
Land Combat Service Support Forces (funded by Revenue Other)	-	0.021	0.021	0.021	0.021

Initiative No: 4611

Land Combat Service Support Forces (funded by Revenue Crown)	-	6.221	6.221	6.221	6.221
Land Combat Support Forces (funded by Revenue Crown)	-	7.728	7.728	7.728	7.728
Land Combat Support Forces (funded by Revenue Other)	-	0.007	0.007	0.007	0.007
Land Combat Support Forces (funded by Revenue Dept)	-	0.011	0.011	0.011	0.011
Maritime Patrol Forces (funded by Revenue Dept)	-	(0.004)	(0.004)	(0.004)	(0.004)
Maritime Patrol Forces (funded by Revenue Crown)	-	3.989	3.989	3.989	3.989
Maritime Patrol Forces (funded by Revenue Other)	-	0.200	0.200	0.200	0.200
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Crown)	-	0.240	0.240	0.240	0.240
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Other)	-	0.085	0.085	0.085	0.085
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Dept)	-	0.763	0.763	0.763	0.763
Military Policy Development, Coordination and Advice (funded by Revenue Dept)	-	(0.044)	(0.044)	(0.044)	(0.044)
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Dept)	-	(0.023)	(0.023)	(0.023)	(0.023)
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Crown)	-	1.184	1.184	1.184	1.184
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Other)	-	(0.159)	(0.159)	(0.159)	(0.159)
Naval Combat Forces (funded by Revenue Crown)	-	16.007	16.007	16.007	16.007

Initiative No: 4611

Naval Combat Forces (funded by Revenue Dept)	-	(0.445)	(0.445)	(0.445)	(0.445)
Naval Combat Forces (funded by Revenue Other)	-	(0.344)	(0.344)	(0.344)	(0.344)
Naval Helicopter Forces (funded by Revenue Dept)	-	(0.016)	(0.016)	(0.016)	(0.016)
Naval Helicopter Forces (funded by Revenue Crown)	-	2.628	2.628	2.628	2.628
Naval Helicopter Forces (funded by Revenue Other)	-	0.007	0.007	0.007	0.007
Naval Patrol Forces (funded by Revenue Dept)	-	(0.042)	(0.042)	(0.042)	(0.042)
Naval Patrol Forces (funded by Revenue Other)	-	(0.005)	(0.005)	(0.005)	(0.005)
Naval Patrol Forces (funded by Revenue Crown)	-	4.281	4.281	4.281	4.281
Naval Support Forces (funded by Revenue Other)	-	0.037	0.037	0.037	0.037
Naval Support Forces (funded by Revenue Dept)	-	(0.119)	(0.119)	(0.119)	(0.119)
Naval Support Forces (funded by Revenue Crown)	-	4.921	4.921	4.921	4.921
Rotary Wing Transport Forces (funded by Revenue Crown)	-	1.584	1.584	1.584	1.584
Rotary Wing Transport Forces (funded by Revenue Other)	-	0.424	0.424	0.424	0.424
Special Operations Forces (funded by Revenue Other)	-	(0.004)	(0.004)	(0.004)	(0.004)
Special Operations Forces (funded by Revenue Dept)	-	0.017	0.017	0.017	0.017
Special Operations Forces (funded by Revenue Crown)	-	3.078	3.078	3.078	3.078
Total Operating	-	69.106	69.106	69.106	69.106
Total Capital	-	-	-	-	-

Vote: Defence Force

Title: Expense Transfer

Description: An expense transfer to provide for 2008/09 and out year operating pressures.

Theme: National Identity

Theme Objective: New Zealand in the world

Performance Information

Performance Text

No change to performance / outputs.

Appropriation Changes

	\$m – increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	(68.000)	68.000	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(68.000)	68.000	-	-	-

	\$m – increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Fixed Wing Transport Forces (funded by Revenue Other)	0.095	-	-	-	-
Fixed Wing Transport Forces (funded by Revenue Dept)	(0.015)	-	-	-	-
Fixed Wing Transport Forces (funded by Revenue Crown)	(4.392)	(0.045)	-	-	-
Land Combat Forces (funded by Revenue Other)	(0.012)	-	-	-	-
Land Combat Forces (funded by Revenue Dept)	(0.042)	-	-	-	-
Land Combat Forces (funded by Revenue Crown)	(15.830)	5.006	-	-	-
Land Combat Service Support Forces (funded by Revenue Other)	(0.005)	-	-	-	-
Land Combat Service Support Forces (funded by Revenue Dept)	(0.016)	-	-	-	-
Land Combat Service Support Forces (funded by Revenue Crown)	(6.432)	21.963	-	-	-

Initiative No: 4612

Land Combat Support Forces (funded by Revenue Crown)	(7.158)	16.547	-	-	-
Land Combat Support Forces (funded by Revenue Other)	(0.006)	-	-	-	-
Land Combat Support Forces (funded by Revenue Dept)	(0.018)	-	-	-	-
Maritime Patrol Forces (funded by Revenue Crown)	(3.895)	9.642	-	-	-
Maritime Patrol Forces (funded by Revenue Other)	0.102	-	-	-	-
Maritime Patrol Forces (funded by Revenue Dept)	(0.013)	-	-	-	-
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Crown)	(0.605)	(0.073)	-	-	-
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Dept)	0.215	-	-	-	-
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by Revenue Other)	(0.025)	-	-	-	-
Military Policy Development, Coordination and Advice (funded by Revenue Crown)	0.432	(1.171)	-	-	-
Military Policy Development, Coordination and Advice (funded by Revenue Dept)	(0.001)	-	-	-	-
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Other)	(0.021)	-	-	-	-
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Crown)	(1.164)	(5.431)	-	-	-
Mine Countermeasures (MCM) and MCM Diving Forces (funded by Revenue Dept)	(0.003)	-	-	-	-
Miscellaneous Support Activities (funded by Revenue Crown)	(0.171)	-	-	-	-

Initiative No: 4612

Naval Combat Forces (funded by Revenue Other)	(0.128)	-	-	-	-
Naval Combat Forces (funded by Revenue Dept)	(0.060)	-	-	-	-
Naval Combat Forces (funded by Revenue Crown)	(14.163)	(12.367)	-	-	-
Naval Helicopter Forces (funded by Revenue Dept)	(0.010)	-	-	-	-
Naval Helicopter Forces (funded by Revenue Crown)	(2.937)	(1.068)	-	-	-
Naval Helicopter Forces (funded by Revenue Other)	0.059	-	-	-	-
Naval Patrol Forces (funded by Revenue Crown)	(3.697)	11.024	-	-	-
Naval Patrol Forces (funded by Revenue Dept)	(0.011)	-	-	-	-
Naval Patrol Forces (funded by Revenue Other)	(0.030)	-	-	-	-
Naval Support Forces (funded by Revenue Other)	(0.054)	-	-	-	-
Naval Support Forces (funded by Revenue Dept)	(0.013)	-	-	-	-
Naval Support Forces (funded by Revenue Crown)	(3.726)	7.230	-	-	-
Rotary Wing Transport Forces (funded by Revenue Crown)	(1.474)	7.503	-	-	-
Rotary Wing Transport Forces (funded by Revenue Dept)	(0.005)	-	-	-	-
Rotary Wing Transport Forces (funded by Revenue Other)	0.027	-	-	-	-
Special Operations Forces (funded by Revenue Other)	(0.002)	-	-	-	-
Special Operations Forces (funded by Revenue Dept)	(0.008)	-	-	-	-

Initiative No: 4612

Special Operations Forces (funded by Revenue Crown)	(2.788)	9.240	-	-	-
Total Operating	(68.000)	68.000	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4613

Vote: Defence Force

Title: Transfer Dedicated Operationally Deployed Forces Funding For Future Activity

Description: To ensure residual Multi Year Appropriation funding remains available to provide for Operationally Deployed Forces commitments agreed by the Government.

Theme: National Identity

Theme Objective: New Zealand in the world

Performance Information

Performance Text

No change to performance / outputs.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	(6.862)	6.862	-	-	-
Debt Impact	-	-	-	-	-
No Impact	(0.451)	0.451	-	-	-
Total	(7.313)	7.313	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Departmental Output Expenses (General):					
Operationally Deployed Forces (funded by Revenue Crown)	(6.862)	-	-	-	-
Operationally Deployed Forces (funded by Revenue Other)	(0.451)	-	-	-	-
Operationally Deployed Forces Annual (funded by Revenue Crown)	-	6.862	-	-	-
Operationally Deployed Forces Annual (funded by Revenue Other)	-	0.451	-	-	-
Total Operating	(7.313)	7.313	-	-	-
Total Capital	-	-	-	-	-

Initiative No: 4614

Vote: Defence Force

Title: Disposal Costs - Other Expense

Description: An accounting treatment to provide should it be necessary, for the expensing by 30 June 2008 of items included in the New Zealand Defence Force Statement of Financial Position, in accordance with Audit New Zealand advice.

Theme: National Identity

Theme Objective: New Zealand in the world

Performance Information

Performance Text

No change to performance / outputs.

Appropriation Changes

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Operating Balance Impact	2.700	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	2.700	-	-	-	-

	\$m - increase/(decrease)				
	2007/08	2008/09	2009/10	2010/11	2011/12& Outyears
Other Expenses to be incurred by the Department: Asset Write-Offs	2.700	-	-	-	-
Total Operating	2.700	-	-	-	-
Total Capital	-	-	-	-	-