

# VOTE *Defence* *Force*

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## Terms and Definitions Used

DFAP	Defence Force Allowance Programme
DSI	Defence Sustainability Initiative
EEZ	Exclusive Economic Zone
HMNZS	Her Majesty's New Zealand Ship
IPCs	Inshore Patrol Craft
IPVs	Inshore Patrol Vessels
LINZ	Land Information New Zealand
MAO&T	Multi-Agency Operations and Tasks
MCM	Mine Counter Measure
MYA	Multi-Year Appropriation
NZDF	New Zealand Defence Force
OPVs	Offshore Patrol Vessels

## Footnotes

Note 1	This is the value of the expenditure that the Government currently expects it will have incurred against the appropriation by the time the appropriation expires.
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## Minister Portfolio Table

22	Minister of Defence
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# Defence Force

VOTE MINISTER: Minister of Defence

ADMINISTERING DEPARTMENT: New Zealand Defence Force

The Minister of Defence is the Responsible Minister for the New Zealand Defence Force

## Part B - Statement of Appropriations

### Summary of Financial Activity

	2005/06		2005/06 Appropriations to be Used			
	Main Estimates \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000
		Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Appropriations</b>						
Output Expenses	1,596,387	1,635,403	-	-	-	1,635,403
Benefits and Other Unrequited Expenses	-	N/A	N/A	-	-	-
Borrowing Expenses	-	N/A	N/A	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	-	N/A	N/A	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	N/A	N/A	-
<b>Total Appropriations</b>	<b>1,596,387</b>	<b>1,635,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,635,403</b>
<b>Crown Revenue and Receipts</b>						
Tax Revenue	-	N/A	N/A	N/A	N/A	-
Non-Tax Revenue	-	N/A	N/A	N/A	N/A	-
Capital Receipts	-	N/A	N/A	N/A	N/A	-
<b>Total Crown Revenue and Receipts</b>	<b>-</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-</b>

## Part B1 - Details of Appropriations

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General)</b>							
Fixed Wing Transport Forces (M22)	171,489	-	3,308	-	174,797	-	<p>Provision of the capabilities of No 40 Squadron (Boeing 757-200 and C-130 Hercules aircraft) prepared to conduct strategic and tactical air transport operations, including aeromedical evacuation.</p> <p>Reason for Change: The Supplementary Estimates increase recognises a \$1.673 million capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$1.635 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Land Combat Forces (M22)	261,361	-	6,237	-	267,598	-	<p>Provision of the capabilities of the Land Combat Forces (command, control and intelligence, and infantry and reconnaissance force elements) prepared to conduct land operations, and to contribute support services to the community.</p> <p>Reason for Change: The Supplementary Estimates increase recognises a \$2.994 million capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$3.243 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Land Combat Service Support Forces (M22)	119,502	-	2,784	-	122,286	-	<p>Provision of the capabilities of the Land Combat Service Support Forces (transport and movements, medical, supply, repair and military police) prepared to conduct land operations, and to contribute support services to the community.</p> <p>Reason for Change: The Supplementary Estimates increase recognises a \$996,000 capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$1.788 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Land Combat Support Forces (M22)	142,385	-	3,189	-	145,574	-	<p>Provision of the capabilities of the Land Combat Support Forces (artillery, engineers and communications force elements) prepared to conduct land operations, and to contribute support services to the community.</p> <p>Reason for Change: The Supplementary Estimates increase recognises a \$1.292 million capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$1.897 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Maritime Patrol Forces (M22)	139,512	-	3,155	-	142,667	-	<p>Provision of the capabilities of No 5 Squadron (P-3K Orion aircraft) prepared to conduct, in priority, maritime surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, to conduct search and rescue missions, and to conduct maritime air operations.</p> <p>Reason for Change: The Supplementary Estimates increase recognises a \$1.836 million capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$1.319 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (M22)	6,532	-	195	-	6,727	-	<p>Provision of the capabilities of the hydrographic and oceanographic survey vessel, HMNZS RESOLUTION, specialist personnel and support infrastructure to conduct military hydrography, and hydrographic data collection and processing that meets contractual commitments to LINZ.</p> <p>Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Military Policy Development, Coordination and Advice (M22)	9,412	-	(484)	-	8,928	-	<p>Provision of advice to the Minister of Defence on military contributions to New Zealand's foreign policy and military responses to contingencies.</p> <p>Reason for Change: The Supplementary Estimates decrease mainly recognises a transfer of costs to Vote Internal Affairs to provide for a Working Group on Concerns of Vietnam Veterans.</p>
Mine Countermeasures (MCM) and MCM Diving Forces (M22)	32,393	-	802	-	33,195	-	<p>Provision of the capabilities of the Mine Countermeasures (MCM) Forces, HMNZS MANAWANUI with HMNZS KAHU as backup, prepared to conduct route surveys and conditioning of selected New Zealand ports.</p> <p>Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>
Miscellaneous Support Activities (M22)	7,292	-	15	-	7,307	-	<p>Provision of the NZDF training infrastructure and planned support to regional defence forces and the New Zealand community.</p> <p>Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.</p>

Appropriations	2005/06						Scope of and Reasons for Change in 2005/06 Appropriations
	Main Estimates		Supplementary Estimates		Cumulative Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
<b>Departmental Output Expenses (General) – cont'd</b>							
Naval Combat Forces (M22)	530,107	-	<b>16,630</b>	-	546,737	-	Provision of the capabilities of HMNZ Ships TE KAHA and TE MANA and associated Seasprite helicopters prepared to conduct maritime operations and to contribute support services to the community. Reason for Change: The Supplementary Estimates increase recognises a \$9.786 million capital charge and depreciation impact of the 30 June 2005 asset revaluation and a \$6.844 million expense transfer from 2004/05 to provide for Defence Sustainability Initiative priorities.
Naval Patrol Forces (M22)	3,374	-	<b>(19)</b>	-	3,355	-	Providing for the future capabilities of vessels (OPVs, and IPVs ) 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. Until the OPVs and IPVs are commissioned into service IPCs will, in addition to providing for training, undertake the role to the limit of their capability.
Naval Support Forces (M22)	31,510	-	<b>829</b>	-	32,339	-	Provision of the capabilities of the Fleet Replenishment Ship, HMNZS ENDEAVOUR, prepared to conduct operational and maritime logistic support for deployed military forces, and to contribute some support services to the community. Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.
Rotary Wing Transport Forces (M22)	99,215	-	<b>1,356</b>	-	100,571	-	Provision of the capabilities of No 3 Squadron (Iroquois helicopters) prepared to conduct tactical air transport, including aeromedical evacuation, and counter-terrorist operations. Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.
Specialised Forces (M22)	42,303	-	<b>1,019</b>	-	43,322	-	Provision of the capabilities of the Specialised Forces prepared to conduct special forces operations in support of land operations, counter-terrorist operations, and the disposal of explosive devices and neutralisation of chemical and biological devices that threaten public safety or national interests. Reason for Change: The Supplementary Estimates increase mainly recognises the capital charge and depreciation impact of the 30 June 2005 asset revaluation and the transfer of expenses from 2004/05 to provide for Defence Sustainability Initiative priorities.
<b>Total Departmental Output Expenses (General)</b>	<b>1,596,387</b>	<b>-</b>	<b>39,016</b>	<b>-</b>	<b>1,635,403</b>	<b>-</b>	
<b>Total Appropriations</b>	<b>1,596,387</b>	<b>-</b>	<b>39,016</b>	<b>-</b>	<b>1,635,403</b>	<b>-</b>	

## Part B2 - Details of Multi-Year Appropriations

Appropriations	Current Appropriation \$000	Scope of Appropriations
Departmental Output Expenses		
<b>Operationally Deployed Forces (M22)</b>		
Original Appropriation	66,999	Previously voted as an annual appropriation, the expenses that provide for most routine operational deployments in support of the United Nations and other relevant multinational agencies as approved by the Government are incurred under a Multi-Year Appropriation from 2005/06 to 2007/08 (see Note 1).
Commences	1 July 2005	
Expires	30 June 2008	The Supplementary Estimates reduction represents a transfer to Vote Social Development to provide for the Defence Force Allowance Programme (DFAP).
Adjustments 2005/06	(1,538)	
Appropriation	65,461	The expenses incurred during 2006/07 will be influenced by a range of options still under consideration.
Actual to 2004/05 Year End	-	
Estimated Actual to 2005/06 Year End	24,886	

## Part E - Explanation of Capital Flows

### Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for New Zealand Defence Force	2005/06 Main Estimates Projections \$000	2005/06 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2005/06
Opening Balance	3,522,613	3,853,701	2005/06 Supplementary Estimates opening balance reflects the audited results as at 30 June 2005.
Capital Injections	410,000	200,000	The Supplementary Estimates change recognises that the working capital associated with Long Term Development Plan (LTDP) and NZDF infrastructure investing activity as originally expected during 2005/06, will not now be required until 2006/07. The \$410 million Main Estimates capital injection was supplemented during 2005/06 by a further \$40.762 million as realised from asset sales proceeds. Together these provide for a transfer of \$250.762 million to 2006/07.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	(796)	The Supplementary Estimates reduction represents a final adjustment to the 30 June 2005 revaluation of physical assets.
Closing Balance	3,932,613	4,052,905	