

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 \$2,827 million, for the 2009/10 financial year covering the following:

- a total of just over \$2,037 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 forces 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 \$634 million
 - Army: just over \$791 million
 - Air Force: just over \$612 million
- a total of just under \$82 million on Operationally Deployed Forces
- a total of just over \$17 million on a Multi-Class Output Appropriation (MCOA), Miscellaneous Support Activities, that includes New Zealand Defence Force support to the Mutual Assistance Programme, the New Zealand Cadet Forces, the Limited Service Volunteer Scheme (a service provided to the Ministry of Social Development) and Service Military Museums
- a total of just over \$13 million on military policy development, coordination and advice to the Government
- a Capital Expenditure appropriation of just under \$678 million for the purchase of assets, including items on the Defence Long-Term Development Plan.

The New Zealand Defence Force expects to recognise about \$24 million in third-party revenue (Revenue Department and Revenue Other) in 2009/10.

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	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Fixed Wing Transport Forces (M22) 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.	218,885	218,885	226,490
Land Combat Forces (M22) 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.	357,046	357,046	373,762
Land Combat Service Support Forces (M22) Provision of the capabilities of the Land Combat Service Support Forces (transport, medical, supply, repair and movements force elements) prepared to support land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.	151,978	151,978	152,826
Land Combat Support Forces (M22) 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.	198,810	198,810	201,694
Maritime Patrol Forces (M22) Provision of the capabilities of No 5 Squadron RNZAF (P-3K Orion aircraft) prepared to conduct 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, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.	165,733	165,733	167,876
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.	16,253	16,253	16,336
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.	13,374	13,374	13,014
Mine Countermeasures (MCM) and MCM Diving Forces (M22) 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, and the provision of the Operational Diving Team prepared to support MCM operations and to conduct independent diving tasks, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.	27,685	27,685	25,511

Titles and Scopes of Appropriations by Appropriation Type	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses - cont'd			
Miscellaneous Support Activities MCOA (M22)	16,393	16,393	17,342
<i>Support to Limited Service Volunteer Scheme</i> This output class is limited to the conduct of Limited Service Volunteer courses for unemployed or disadvantaged youth, selected by the Ministry of Social Development, to encourage these youth towards employment.	4,078	4,078	4,267
<i>Support to Mutual Assistance Programme (MAP)</i> This output class is limited to the provision of training, technical advice and resources to the defence forces and law enforcement agencies of participant countries under the Mutual Assistance Programme (MAP), both in New Zealand and in MAP countries.	1,677	1,677	1,893
<i>Support to New Zealand Cadet Forces</i> This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.	3,285	3,285	3,833
<i>Support to Service Military Museums</i> This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.	7,353	7,353	7,349
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.	397,663	397,663	384,715
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.	82,873	82,873	82,637
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. Once in service 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.	82,859	82,859	108,886
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.	102,089	102,089	98,496
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.	78,633	78,633	81,585
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.	128,778	128,778	135,469

	2008/09		2009/10
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Special Operations Forces (M22)	60,245	60,245	63,184
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.			
Total Departmental Output Expenses	2,099,297	2,099,297	2,149,823
Departmental Other Expenses			
Asset Write-Offs (M22)	3,000	3,000	-
To provide for the expensing of capitalised items that have no ongoing utility.			
Loss on Sale of Physical Assets (M22)	340	340	-
This appropriation is limited to providing for the gifting of the Putiki rifle range to the Te Poho o Matapihi Trust.			
Total Departmental Other Expenses	3,340	3,340	-
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22)	388,366	388,366	677,852
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.			
Total Departmental Capital Expenditure	388,366	388,366	677,852
Total Annual and Permanent Appropriations	2,491,003	2,491,003	2,827,675

Details of Projected Movements in Departmental Net Assets

New Zealand Defence Force

Details of Net Asset Schedule	2008/09 Estimated Actual \$000	2009/10 Projected \$000	Explanation of Projected Movements in 2009/10
Opening Balance	5,303,408	5,305,691	
Capital Injections	54,930	80,000	The change recognises a capital transfer of \$80 million from 2008/09 to 2009/10.
Capital Withdrawals	(80,000)	(171)	The changes recognise a capital transfer of \$80 million from 2008/09 to 2009/10 and a \$171,000 contribution to a Government wide initiative in 2009/10.
Surplus to be Retained (Deficit Incurred)	27,353	-	The surplus includes unrealised foreign exchanges gains of \$30.693 million recognised as at 28 February 2009, offset by a \$3 million asset write off should it be required, and a land transfer of \$340,000.
Other Movements	-	3,340	To maintain the Net Asset value should a \$3 million asset write-off and a land transfer of \$340,000 not be required.
Closing Balance	5,305,691	5,388,860	