

# *Vote Defence*

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APPROPRIATION MINISTER(S): Minister of Defence (M22)

APPROPRIATION ADMINISTRATOR: Ministry of Defence

RESPONSIBLE MINISTER FOR MINISTRY OF DEFENCE: Minister of Defence

# Supplementary Estimates of Appropriations

## Details of Appropriations

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Evaluation, Audit &amp; Assessment of Performance (M22)</b> This appropriation is limited to the evaluations, and audits and assessments of the New Zealand Defence Force and the Ministry of Defence.	2,008	75	2,083
<b>Management of Equipment Procurement (M22)</b> Managing procurement or refurbishment, on behalf of the Crown, of various items of equipment contributing to a capability of the New Zealand Defence Force.	5,390	100	5,490
<b>Policy Advice and Related Outputs MCOA (M22)</b>	6,222	(175)	6,047
<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.	311	415	726
<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 national security.	3,929	(289)	3,640
<i>Policy Support</i> This output class is limited to the provision of services (other than defence policy) that support the development and procurement of military capability, and the conduct of international defence relations.	1,982	(301)	1,681
<b>Total Departmental Output Expenses</b>	13,620	-	13,620
<b>Departmental Capital Expenditure</b>			
<b>Ministry of Defence - Capital Expenditure PLA (M22)</b> 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.	350	210	560
<b>Total Departmental Capital Expenditure</b>	350	210	560
<b>Non-Departmental Capital Expenditure</b>			
<b>Defence Equipment (M22)</b> This appropriation is limited to the purchase, modification or refurbishment of major items of defence equipment for the New Zealand Defence Force.	226,665	59,935	286,600
<b>Total Non-Departmental Capital Expenditure</b>	226,665	59,935	286,600
<b>Total Annual and Permanent Appropriations</b>	240,635	60,145	300,780

# Details of Projected Movements in Departmental Net Assets

## Ministry of Defence

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	3,416	3,416	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>3,416</b>	<b>3,416</b>	

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2013/14				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	13,620	-	-	-	13,620
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	227,015	210	59,935	60,145	287,160
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>240,635</b>	<b>210</b>	<b>59,935</b>	<b>60,145</b>	<b>300,780</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	219,730	N/A	66,870	66,870	286,600
<b>Total Crown Revenue and Capital Receipts</b>	<b>219,730</b>	<b>N/A</b>	<b>66,870</b>	<b>66,870</b>	<b>286,600</b>

*Mapping the Layout of the 2013/14 Supplementary Estimates to the Layout of the 2013/14 Estimates*

Supplementary Estimates Structure 2013/14		Estimates Structure 2013/14	
Part #	Part Name	Part #	Part Name
2.1	Departmental Output Expenses	2.1	Departmental Output Expenses
2.2	Departmental Other Expenses	5.1	Departmental Other Expenses
2.3	Departmental Capital Expenditure and Capital Injections	6.1	Departmental Capital Expenditure
3.1	Non-Departmental Output Expenses	2.2	Non-Departmental Output Expenses
3.2	Non-Departmental Benefits and Other Unrequited Expenses	3.2	Non-Departmental Benefits and Other Unrequited Expenses
3.3	Non-Departmental Borrowing Expenses	4.2	Non-Departmental Borrowing Expenses
3.4	Non-Departmental Other Expenses	5.2	Non-Departmental Other Expenses
3.5	Non-Departmental Capital Expenditure	6.2	Non-Departmental Capital Expenditure
4	Multi-Category Expenses and Capital Expenditure	N/A	Did not exist in the Estimates

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Evaluation, Audit & Assessment of Performance (M22)

##### *Scope of Appropriation*

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

##### *Reasons for Change in Appropriation*

The appropriation for 2013/14 has increased by \$75,000 to \$2.083 million for the review of the Ministry's knowledge management systems.

##### *Conditions on Use of Appropriation*

Reference	Conditions
Authority	The evaluation, audit or assessment will be undertaken as and when required by the Minister of Defence or in accordance with a work programme approved by the Minister.

#### 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*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	5,390	100	5,490
Revenue from the Crown	3,886	100	3,986
Revenue from Others	1,504	-	1,504

##### *Reasons for Change in Appropriation*

The appropriation for 2013/14 has increased by \$100,000 for the review of the Ministry's project management systems.

## Policy Advice and Related Outputs MCOA (M22)

### *Scope of Appropriation*

#### **Ministerial Services**

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.

#### **Policy Advice**

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 national security.

#### **Policy Support**

This output class is limited to the provision of services (other than defence policy) that support the development and procurement of military capability, and the conduct of international defence relations.

### *Explanation for Use of Multi-Class Output Expense Appropriation*

This appropriation is limited to the provision of advice to the Minister and contributions to policy advice led by other agencies, Ministerial services, and other services that support the development and procurement of military capability, and the conduct of international defence relations. This appropriation is a MCOA because Ministerial services, assistance to development and procurement of military capability, and international defence relations support the provision of policy advice.

### *Expenses and Revenue*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	6,222	(175)	6,047
Ministerial Services	311	415	726
Policy Advice	3,929	(289)	3,640
Policy Support	1,982	(301)	1,681
<b>Revenue from the Crown</b>	6,222	(175)	6,047
Ministerial Services	311	415	726
Policy Advice	3,929	(289)	3,640
Policy Support	1,982	(301)	1,681
<b>Revenue from Others</b>	-	-	-
Ministerial Services	-	-	-
Policy Advice	-	-	-
Policy Support	-	-	-

### *Reasons for Change in Appropriation*

The appropriation for 2013/14 has decreased by \$175,000 due to cost savings within this appropriation being transferred to other Ministry of Defence appropriations to fund reviews of the Ministry's knowledge management and project management systems.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### 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*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	150	130	280
Intangibles	200	80	280
Other	-	-	-
<b>Total Appropriation</b>	<b>350</b>	<b>210</b>	<b>560</b>

#### *Capital Injections and Movements in Departmental Net Assets*

##### Ministry of Defence

Details of Net Asset Schedule	2013/14 Main Estimates Projections \$000	2013/14 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2013/14
Opening Balance	3,416	3,416	Supplementary Estimates opening balance reflects the audited results as at 30 June 2013.
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>3,416</b>	<b>3,416</b>	



## Part 3 - Details of Non-Departmental Appropriations

### 3.5 - 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*

	2013/14		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	226,665	59,935	286,600

##### *Reasons for Change in Appropriation*

The increase in the 2013/14 appropriation from the original Estimates reflects two new capital projects being approved during the year (Pilot Training \$93.940 million and Frigate Systems Upgrade \$10 million). This increase was offset by the effect of reforecasting the timing of other acquisition projects milestone payments, resulting in payments being paid in the next financial year.