

# The Treasury

## Budget 2011 Information Release

### Release Document

June 2011

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Budget 2011: Vote Defence Force

On 11 April 2011, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2011 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)				
		2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
6944	Intelligence Initiative	-	(0.123)	(0.123)	(0.123)	(0.123)
7011	Reallocation of Appropriations to Reconcile with Expected Output Costs	-	-	-	-	-
7114	Extension of the Limited Service Volunteers	-	-	-	-	-
<b>Total Operating</b>		-	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>

- 2 **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;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **agreed** that the changes to appropriations and/or projected balances of net assets for 2010/11 above be included in the 2010/11 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 2010/11 Supplementary Estimates, the 2011/12 Estimates and the fiscal forecasts;

- 6 **noted** that all communications relating to the 2011 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: CAB (11) 187; CAB (11) 190

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## Initiative No: 6944

**Vote:** Defence Force

**Title:** Intelligence Initiative

**Description:** Transfer of funding to Vote Prime Minister and Cabinet to fund the Intelligence Co-ordination Group.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	(0.123)	(0.123)	(0.123)	(0.123)
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Departmental Output Expense:</b>					
Military Policy Development, Coordination and Advice (funded by revenue Crown)	-	(0.123)	(0.123)	(0.123)	(0.123)
<b>Total Operating</b>	-	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>	<b>(0.123)</b>
<b>Total Capital</b>	-	-	-	-	-

## Initiative No: 7011

**Vote:** Defence Force

**Title:** Reallocation of Appropriations to Reconcile with Expected Output Costs

**Description:** This fiscally neutral initiative reallocates appropriations to reconcile with expected output costs for 2011/12.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Departmental Output Expenses:</b>					
Miscellaneous Support Activities Multi-class Output Appropriation (MCOA)					
Support to Mutual Assistance Programme (MAP) (funded by revenue Crown)	-	0.401	0.401	0.401	0.401
Support to New Zealand Cadet Forces (funded by revenue Crown)	-	0.157	0.157	0.157	0.157
Support to Service Military Museums (funded by revenue Crown)	-	(0.110)	(0.110)	(0.110)	(0.110)
Airborne Surveillance and Response Forces (funded by revenue Crown)	-	(4.421)	(4.421)	(4.421)	(4.421)
Airborne Surveillance and Response Forces (funded by revenue Dept)	-	0.032	0.032	0.032	0.032
Airborne Surveillance and Response Forces (funded by revenue Other)	-	0.272	0.272	0.272	0.272
Fixed Wing Transport Forces (funded by revenue Crown)	-	11.627	11.627	11.627	11.627
Fixed Wing Transport Forces (funded by revenue Other)	-	(0.135)	(0.135)	(0.135)	(0.135)
Fixed Wing Transport Forces (funded by revenue Dept)	-	0.250	0.250	0.250	0.250
Land Combat Forces (funded by revenue Dept)	-	(0.121)	(0.121)	(0.121)	(0.121)

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Land Combat Forces (funded by revenue Other)	-	(0.214)	(0.214)	(0.214)	(0.214)
Land Combat Forces (funded by revenue Crown)	-	(27.128)	(27.128)	(27.128)	(27.128)
Land Combat Service Support Forces (funded by revenue Crown)	-	1.214	1.214	1.214	1.214
Land Combat Service Support Forces (funded by revenue Dept)	-	(0.086)	(0.086)	(0.086)	(0.086)
Land Combat Service Support Forces (funded by revenue Other)	-	0.025	0.025	0.025	0.025
Land Combat Support Forces (funded by revenue Other)	-	(0.089)	(0.089)	(0.089)	(0.089)
Land Combat Support Forces (funded by revenue Dept)	-	(0.044)	(0.044)	(0.044)	(0.044)
Land Combat Support Forces (funded by revenue Crown)	-	0.613	0.613	0.613	0.613
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by revenue Crown)	-	(2.532)	(2.532)	(2.532)	(2.532)
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by revenue Dept)	-	(0.058)	(0.058)	(0.058)	(0.058)
Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (funded by revenue Other)	-	(0.004)	(0.004)	(0.004)	(0.004)
Military Policy Development, Coordination and Advice (funded by revenue Crown)	-	0.949	0.949	0.949	0.949
Mine Countermeasures (MCM) and MCM Diving Forces (funded by revenue Dept)	-	(0.006)	(0.006)	(0.006)	(0.006)

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Mine Countermeasures (MCM) and MCM Diving Forces (funded by revenue Crown)	-	(0.080)	(0.080)	(0.080)	(0.080)
Mine Countermeasures (MCM) and MCM Diving Forces (funded by revenue Other)	-	(0.015)	(0.015)	(0.015)	(0.015)
Naval Combat Forces (funded by revenue Other)	-	(0.176)	(0.176)	(0.176)	(0.176)
Naval Combat Forces (funded by revenue Dept)	-	0.008	0.008	0.008	0.008
Naval Combat Forces (funded by revenue Crown)	-	2.509	2.509	2.509	2.509
Naval Helicopter Forces (funded by revenue Dept)	-	(0.009)	(0.009)	(0.009)	(0.009)
Naval Helicopter Forces (funded by revenue Crown)	-	(0.693)	(0.693)	(0.693)	(0.693)
Naval Helicopter Forces (funded by revenue Other)	-	0.101	0.101	0.101	0.101
Naval Patrol Forces (funded by revenue Crown)	-	7.558	7.558	7.558	7.558
Naval Patrol Forces (funded by revenue Dept)	-	0.041	0.041	0.041	0.041
Naval Patrol Forces (funded by revenue Other)	-	(0.002)	(0.002)	(0.002)	(0.002)
Naval Support Forces (funded by revenue Other)	-	0.058	0.058	0.058	0.058
Naval Support Forces (funded by revenue Dept)	-	0.046	0.046	0.046	0.046
Naval Support Forces (funded by revenue Crown)	-	(3.325)	(3.325)	(3.325)	(3.325)
Rotary Wing Transport Forces (funded by revenue Crown)	-	10.545	10.545	10.545	10.545

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Rotary Wing Transport Forces (funded by revenue Dept)	-	(0.035)	(0.035)	(0.035)	(0.035)
Rotary Wing Transport Forces (funded by revenue Other)	-	0.115	0.115	0.115	0.115
Special Operations Forces (funded by revenue Other)	-	0.064	0.064	0.064	0.064
Special Operations Forces (funded by revenue Dept)	-	(0.018)	(0.018)	(0.018)	(0.018)
Special Operations Forces (funded by revenue Crown)	-	2.716	2.716	2.716	2.716
<b>Total Operating</b>	-	-	-	-	-
<b>Total Capital</b>	-	-	-	-	-



## Initiative No: 7114

**Vote:** Defence Force

**Title:** Extension of the Limited Service Volunteers

**Description:** Limited Service Volunteers is a six-week residential confidence-building programme run by the New Zealand Defence Force for 18 to 24 year olds. This initiative continues funding for the programme at 1,500 places per year until 2014/15.

### Appropriation Changes

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	3.575	7.150	7.150	7.150
<b>Total</b>	-	<b>3.575</b>	<b>7.150</b>	<b>7.150</b>	<b>7.150</b>

	\$m - increase/(decrease)				
	2010/11	2011/12	2012/13	2013/14	2014/15 & Outyears
<b>Departmental Output Expenses:</b>					
Miscellaneous Support Activities (MCOA)					
Support to Youth Development (funded by Revenue Dept)	-	3.575	7.150	7.150	7.150
<b>Total Operating</b>	-	<b>3.575</b>	<b>7.150</b>	<b>7.150</b>	<b>7.150</b>
<b>Total Capital</b>	-	-	-	-	-

### Additional Recommendations

7 **agreed** that the Vote Defence Force Departmental Output Expense Maritime Patrol Forces be renamed Airborne Surveillance and Response Forces with effect from 1 July 2011;

8 **agreed** that the scope statement for Airborne Surveillance and Response Forces will be:

“This appropriation is limited to the provision of the capabilities of No 5 Squadron RNZAF (P-3K2 Orion aircraft) prepared to conduct airborne surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, to conduct search and rescue missions, and to conduct maritime and land air operations, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.”