

Vote Defence

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

APPROPRIATION ADMINISTRATOR: Ministry of Defence

RESPONSIBLE MINISTER FOR MINISTRY OF DEFENCE: Minister of Defence

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2017/18		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Evaluation, Audit & Assessment of Performance (M22) This appropriation is limited to the evaluations, and audits and assessments of the New Zealand Defence Force and the Ministry of Defence.	2,384	(437)	1,947
Management of Equipment Procurement (M22) Managing procurement or refurbishment, on behalf of the Crown, of various items of equipment contributing to a capability of the New Zealand Defence Force.	11,008	10	11,018
Total Departmental Output Expenses	13,392	(427)	12,965
Departmental Capital Expenditure			
Ministry of Defence - Capital Expenditure PLA (M22) 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	-	350
Total Departmental Capital Expenditure	350	-	350
Non-Departmental Capital Expenditure			
Defence Equipment (M22) This appropriation is limited to the purchase, modification or refurbishment of major items of defence equipment for the New Zealand Defence Force.	265,585	(25,585)	240,000
Total Non-Departmental Capital Expenditure	265,585	(25,585)	240,000
Multi-Category Expenses and Capital Expenditure			
Policy Advice and Related Outputs MCA (M22) The overarching purpose of this appropriation is to provide policy advice, other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.	7,170	948	8,118
Departmental Output Expenses			
Ministerial Services This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	861	114	975
Policy Advice This category 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.	4,316	571	4,887
Policy Support This category 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.	1,993	263	2,256
Total Multi-Category Expenses and Capital Expenditure	7,170	948	8,118
Total Annual and Permanent Appropriations	286,497	(25,064)	261,433

Capital Injection Authorisations

	2017/18		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Defence - Capital Injection (M22)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2017/18				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	13,392	(427)	-	(427)	12,965
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	265,935	-	(25,585)	(25,585)	240,350
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	7,170	948	-	948	8,118
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	286,497	521	(25,585)	(25,064)	261,433
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	265,585	N/A	(25,585)	(25,585)	240,000
Total Crown Revenue and Capital Receipts	265,585	N/A	(25,585)	(25,585)	240,000

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

This appropriation decreased by \$437,000 to \$1.947 million for 2017/18 due to a:

- \$347,000 reduction due to transfer of funding to other Ministry outputs to align resource requirements with demand and activities, and
- \$90,000 reduction in the amount of the Ministry's indirect costs allocated to this output following a review of the Ministry's indirect allocation methodology.

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

	2017/18		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	11,008	10	11,018
Revenue from the Crown	10,908	(911)	9,997
Revenue from Others	100	921	1,021

Reasons for Change in Appropriation

The \$10,000 increase in this appropriation is due to a \$921,000 increase in pre-acquisition project costs, funded by Revenue from Others.

This increase was partly offset by a \$911,000 decrease in Revenue from the Crown, due to a:

- \$900,000 transfer of funding to the Policy and Other outputs MCA reflecting the change in the Ministry's final structure following the implementation of the Enhancements to Defence Capability Development and Acquisition initiative, and
- \$11,000 decrease resulting from changes in the Ministry's method of allocating indirect costs across outputs.

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

	2017/18		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	350	(150)	200
Intangibles	-	150	150
Other	-	-	-
Total Appropriation	350	-	350

Capital Injections and Movements in Departmental Net Assets

Ministry of Defence

Details of Net Asset Schedule	2017/18 Main Estimates Projections \$000	2017/18 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2017/18
Opening Balance	2,284	2,353	Supplementary Estimates opening balance reflects the audited results as at 30 June 2017.
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	2,284	2,353	

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

	2017/18		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	265,585	(25,585)	240,000

Reasons for Change in Appropriation

This appropriation decreased by \$25.585 million to \$240 million due to the rescheduling of project milestones following contract negotiations.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

Multi-Category Expenses and Capital Expenditure

Policy Advice and Related Outputs (M22)

Overarching Purpose Statement

The overarching purpose of this appropriation is to provide policy advice, other support to Ministers in discharging their policy decision-making and other portfolio responsibilities.

Scope of Appropriation

Departmental Output Expenses

Ministerial Services

This category 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 category 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 category 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.

Expenses, Revenue and Capital Expenditure

	2017/18		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	7,170	948	8,118
Departmental Output Expenses			
Ministerial Services	861	114	975
Policy Advice	4,316	571	4,887
Policy Support	1,993	263	2,256
Funding for Departmental Output Expenses			
Revenue from the Crown	7,170	948	8,118
Ministerial Services	861	114	975
Policy Advice	4,316	571	4,887
Policy Support	1,993	263	2,256

Reasons for Change in Appropriation

This appropriation increased by \$948,000 to \$8.118 million due to:

- a \$900,000 transfer of funding from the Management of Equipment Procurement appropriation reflecting the change in the Ministry's final structure following the implementation of the Enhancements to Defence Capability Development and Acquisition initiative, and
- a \$101,000 increase resulting from changes in the Ministry's method of allocating indirect costs across outputs.

The increase was partly offset by a \$53,000 reduction due to transfer of funding to other Ministry outputs to align the resource requirements with demand and activities.

