

Vote Defence Force

APPROPRIATION MINISTER(S): Minister of Defence (M22), Minister for Veterans (M75)

APPROPRIATION ADMINISTRATOR: New Zealand Defence Force

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses					
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	907,237	27,632	-	27,632	934,869
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	916,039	15,056	-	15,056	931,095
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	492,818	(24,633)	-	(24,633)	468,185
Total Departmental Output Expenses	2,316,094	18,055	-	18,055	2,334,149
Departmental Other Expenses					
Loss on Sale of Physical Assets (M22) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	-	7,260	-	7,260	7,260
Total Departmental Other Expenses	-	7,260	-	7,260	7,260
Departmental Capital Expenditure					
New Zealand Defence Force - Capital Expenditure PLA (M22) 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.	1,330,035	(474,966)	-	(474,966)	855,069
Total Departmental Capital Expenditure	1,330,035	(474,966)	-	(474,966)	855,069
Non-Departmental Output Expenses					
Development and Maintenance of Services Cemeteries (M75) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	-	-	-	746
Total Non-Departmental Output Expenses	746	-	-	-	746

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Benefits or Related Expenses					
Assessments, Treatment & Rehabilitation (M75) This appropriation is limited to the payment of the costs of assessments, treatment (including associated aids and appliances), and social and vocational rehabilitation provided for under the Veterans' Support Act 2014 and associated regulations.	11,996	56	-	56	12,052
Special Annuities (M75) This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.	92	(14)	-	(14)	78
Veterans' Independence Programme (M75) This appropriation is limited to provision of services and support to assist eligible veterans and their families.	14,675	(747)	-	(747)	13,928
Veterans Support Entitlement (M75) This appropriation is limited to the payment of entitlements (in respect of the impairment or death of veterans determined to be related to qualifying operational service occurring at any time or qualifying routine service occurring prior to 1 April 1974) to veterans and their spouses, partners, children and dependants under the Veterans' Support Act 2014 and associated regulations and to the provision for grandparented loans of the differential between 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941 for interest concessions on land and buildings.	84,480	(16,097)	-	(16,097)	68,383
Total Benefits or Related Expenses	111,243	(16,802)	-	(16,802)	94,441
Non-Departmental Other Expenses					
Debt Write-Down for Benefits and Other Unrequited Expenses (M75) This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles.	250	-	-	-	250
Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75) This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam veterans.	1,100	-	-	-	1,100
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	-	-	-	203
Grant Payments to Non-Government Organisations (M75) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	-	-	-	275

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Initial Recognition of Liability for Veterans' Entitlements (M75) This appropriation is limited to the initial recognition in accordance with the new accounting standard Public Benefit Entity - International Public Sector Accounting Standard (PBE IPSAS) 39 Employee Benefits of the liability at 1 July 2018 (and subsequently at 1 July 2019) for Veterans' entitlements resulting from qualifying service or qualifying operational service in the current year or prior years provided for under Parts 3, 4 and 5 of the Veterans' Support Act and for annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as part of their qualifying service or qualifying operational service.	-	3,500,000	-	3,500,000	3,500,000
Service Cost - Veterans' Entitlements (M75) This appropriation is limited to the present value of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.	-	20,000	-	20,000	20,000
Unwind of Discount Rate - Veterans' Entitlements (M75) This appropriation is limited to the unwinding of the discount rate (interest expense) of the liability for the Veterans' entitlements provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.	-	50,000	-	50,000	50,000
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	-	-	-	200
Total Non-Departmental Other Expenses	2,028	3,570,000	-	3,570,000	3,572,028
Multi-Category Expenses and Capital Expenditure					
Advice to the Government MCA (M22) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	16,288	1,038	-	1,038	17,326
Departmental Output Expenses					
Policy Advice This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.	3,904	10	-	10	3,914
Situational Awareness This category is limited to the provision of effective military intelligence services to the Government in support of decision-making for the defence and security of New Zealand.	10,364	1,021	-	1,021	11,385
Supporting Ministers This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	2,020	7	-	7	2,027

	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type					
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22)	26,297	16,922	-	16,922	43,219
The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.					
Departmental Output Expenses					
Military Operations in Support of a Rules-Based International Order	25,788	16,772	-	16,772	42,560
This category is limited to the costs of generating operational military capabilities and the employment of the New Zealand Armed Forces for the conduct of operations, as directed by the Government.					
Military Operations that Contribute to Regional Security	509	150	-	150	659
This category is limited to the costs of providing specialised support to all-of-government efforts to maintain security and stability in New Zealand's immediate neighbourhood including responses to events that impact on the safety and wellbeing of regional populations, as directed by the Government.					
Policy Advice And Other Services For Veterans MCA (M75)	10,259	13	40	53	10,312
The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.					
Departmental Output Expenses					
Administration Services	2,960	2	-	2	2,962
This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.					
Policy Advice	230	-	-	-	230
This category is limited to the provision of policy 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 Veterans' Affairs.					
Services and Payments to Veterans	7,069	11	40	51	7,120
This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.					

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
Protection of New Zealand and New Zealanders MCA (M22) The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	478,162	39,406	-	39,406	517,568
Departmental Output Expenses					
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i> This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.	78,657	10,656	-	10,656	89,313
<i>Defence International Engagement</i> This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.	101,968	2,143	-	2,143	104,111
<i>Defence Support to the Community</i> This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.	52,670	6,953	-	6,953	59,623
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i> This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.	37,043	3,193	-	3,193	40,236
<i>Resource and Border Protection Operations</i> This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.	207,824	16,461	-	16,461	224,285
Total Multi-Category Expenses and Capital Expenditure	531,006	57,379	40	57,419	588,425
Total Annual Appropriations and Forecast Permanent Appropriations	4,291,152	3,160,926	40	3,160,966	7,452,118

Capital Injection Authorisations

Titles and Scopes of Appropriations by Appropriation Type	2019/20				
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Addition to the Supplementary Estimates Budget \$000	Cumulative Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Defence Force - Capital Injection (M22)	568,567	406,791	-	-	975,358

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20				
	Estimates \$000	Cumulative Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	2,316,840	18,055	-	18,055	2,334,895
Benefits or Related Expenses	111,243	N/A	(16,802)	(16,802)	94,441
Borrowing Expenses	-	-	-	-	-
Other Expenses	2,028	7,260	3,570,000	3,577,260	3,579,288
Capital Expenditure	1,330,035	(474,966)	-	(474,966)	855,069
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	531,006	57,419	-	57,419	588,425
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	4,291,152	(392,232)	3,553,198	3,160,966	7,452,118
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

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

4 - Multi-Category Expenses and Capital Expenditure

Policy Advice and Other Services For Veterans (M75)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Administration 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, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.

Policy Advice

This category is limited to the provision of policy 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 Veterans' Affairs.

Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)

This category is limited to the repatriation of service personnel and dependants buried abroad as a result of a military burial since 1 January 1955.

Services and Payments to Veterans

This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.

Expenses, Revenue and Capital Expenditure

	2019/20			Total \$000
	Estimates \$000	Supplementary Estimates \$000	Addition to the Supplementary Estimates \$000	
Total Appropriation	10,259	13	40	10,312
Departmental Output Expenses				
Administration Services	2,960	2	-	2,962
Policy Advice	230	-	-	230
Services and Payments to Veterans	7,069	11	40	7,120

	2019/20			Total \$000
	Estimates \$000	Supplementary Estimates \$000	Addition to the Supplementary Estimates \$000	
Funding for Departmental Output Expenses				
Revenue from the Crown	10,259	13	40	10,312
Administration Services	2,960	2	-	2,962
Policy Advice	230	-	-	230
Services and Payments to Veterans	7,069	11	40	7,120

Reasons for Change in Appropriation

This appropriation increased by a further \$40,000 to \$10.312 million in 2019/20 due to increased funding of \$40,000 for Veterans' Affairs to access a secure medical information exchange system to improve veterans access to treatment.