

Vote Defence

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

DEPARTMENT ADMINISTERING THE VOTE: Ministry of Defence (A18)

RESPONSIBLE MINISTER FOR MINISTRY OF DEFENCE: Minister of Defence

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Departmental Output Expenses			
Ministry of Defence Outputs (M22) (A18)	25,540	5,500	31,040
This appropriation is limited to the development, procurement and delivery of defence capability for the New Zealand Defence Force and providing policy advice, audit and assessments, and other support to Ministers to discharge their policy decision-making and other portfolio responsibilities relating to defence.			
Total Departmental Output Expenses	25,540	5,500	31,040
Departmental Capital Expenditure			
Ministry of Defence - Capital Expenditure PLA (M22) (A18)	350	-	350
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.			
Total Departmental Capital Expenditure	350	-	350
Multi-Category Expenses and Capital Expenditure			
Defence Capabilities MCA (M22) (A18)	1,152,069	109,759	1,261,828
The single overarching purpose of this appropriation is to purchase, modify or refurbish defence capabilities for the New Zealand Defence Force.			
Non-Departmental Other Expenses			
Procurement Expenses	2,000	2,567	4,567
This category is limited to non-capitalisable costs incurred during the purchase, modification or refurbishment of defence capabilities for the New Zealand Defence Force.			
Non-Departmental Capital Expenditure			
Defence Capability Delivery	1,150,069	107,192	1,257,261
This category is limited to the purchase, modification or refurbishment of defence capabilities for the New Zealand Defence Force.			
Total Multi-Category Expenses and Capital Expenditure	1,152,069	109,759	1,261,828
Total Annual Appropriations and Forecast Permanent Appropriations	1,177,959	115,259	1,293,218

Capital Injection Authorisations

	2022/23		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry of Defence - Capital Injection (M22) (A18)	-	-	-

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2022/23				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	25,540	5,500	-	5,500	31,040
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	-	-	-	-	-
Capital Expenditure	350	-	-	-	350
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>	2,000	-	2,567	2,567	4,567
<i>Capital Expenditure</i>	1,150,069	N/A	107,192	107,192	1,257,261
Total Appropriations	1,177,959	5,500	109,759	115,259	1,293,218
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	1,150,069	N/A	107,192	107,192	1,257,261
Total Crown Revenue and Capital Receipts	1,150,069	N/A	107,192	107,192	1,257,261

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Ministry of Defence Outputs (M22) (A18)

Scope of Appropriation

This appropriation is limited to the development, procurement and delivery of defence capability for the New Zealand Defence Force and providing policy advice, audit and assessments, and other support to Ministers to discharge their policy decision-making and other portfolio responsibilities relating to defence.

Expenses and Revenue

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	25,540	5,500	31,040
Revenue from the Crown	25,540	-	25,540
Revenue from Others	-	5,500	5,500

Reasons for Change in Appropriation

This appropriation increased by \$5.500 million to \$31.040 million for 2022/23 due to cost recoveries from the New Zealand Defence Force.

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

4 - Multi-Category Expenses and Capital Expenditure

Defence Capabilities (M22) (A18)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to purchase, modify or refurbish defence capabilities for the New Zealand Defence Force.

Scope of Appropriation

Non-Departmental Other Expenses

Procurement Expenses

This category is limited to non-capitalisable costs incurred during the purchase, modification or refurbishment of defence capabilities for the New Zealand Defence Force.

Non-Departmental Capital Expenditure

Defence Capability Delivery

This category is limited to the purchase, modification or refurbishment of defence capabilities for the New Zealand Defence Force.

Expenses, Revenue and Capital Expenditure

	2022/23		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,152,069	109,759	1,261,828
Non-Departmental Other Expenses			
Procurement Expenses	2,000	2,567	4,567
Non-Departmental Capital Expenditure			
Defence Capability Delivery	1,150,069	107,192	1,257,261

Reasons for Change in Appropriation

This appropriation increased by \$109.759 million to \$1,261.828 million for 2022/23 due to transfers from 2021/22 and to 2023/24 of unused headroom in the appropriation, of a net total of \$60.291 million, required to accommodate:

- the accounting of potential foreign exchange rate movements affecting the reported New Zealand dollar value of hedged foreign currency expenditure
- the uncertainty of the timing of prepaid monies being recognised as capital expenditure under accounting standards for capabilities being acquired under the United States' Foreign Military Sales programme
- capability project costs deemed uncapitalisable.

Other increases in the appropriation were caused by:

- realignment of tasks within a capability project between the Ministry and the New Zealand Defence Force resulting in an increase of \$19.514 million in 2022/23
- the budgets for eight capability projects increasing by a combined \$16.651 million for non-cash technical adjustments to accommodate the increased reported New Zealand dollar value of hedged foreign currency expenditure
- the approval of two new defence capability projects of \$13.303 million in 2022/23.