

# *Vote Defence Force*

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

DEPARTMENT ADMINISTERING THE VOTE: New Zealand Defence Force (A27)

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

## Overview of the Vote

The appropriations within Vote Defence Force total just under \$5,262 million for the 2023/24 financial year. The Minister of Defence is responsible for just over \$5,127 million, and the Minister for Veterans is responsible for just under \$135 million.

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, that include just over \$3,513 million for departmental output expenses comprising of:

- just over \$1,132 million for Army, just over \$1,046 million for Air, and just under \$714 million for Navy to ensure that military capabilities achieve the levels of capability and preparedness necessary to meet directives of the Government of New Zealand. Most of these forces will also contribute to a range of services to other government departments and the New Zealand community when not committed to operations overseas
- just over \$574 million to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts
- just under \$31 million for the employment of New Zealand's Armed Forces overseas, and to enable the provision of military capabilities overseas, and
- just under \$16 million to support the Minister of Defence in discharging their responsibilities.

The Minister of Defence is responsible for non-departmental other expenses of \$350,000 for the operation of on-base early childhood education services, and \$250,000 to fund costs associated with the Wai 2500 Military Veterans Kaupapa Inquiry.

The Minister of Defence is also responsible for the capital expenditure appropriation of just under \$1,613 million, and a capital injection of just under \$665 million for the purchase and development of assets.

The Minister for Veterans is responsible for Veterans' Affairs appropriations in Vote Defence Force that include:

- just under \$122 million of non-departmental expenditure for the:
  - development and maintenance of services cemeteries
  - fair value write-down on veteran trust loans and thirty-year endowment to the Vietnam Veterans and their Families Trust
  - grant payments to non-government organisations in their support of veterans and their families
  - impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force
  - the provision of entitlements and services that support veterans and their families, and
- just under \$13 million to support the Minister for Veterans in discharging their responsibilities, and the provision of services and payments to veterans.

Of the total output expenses, just over \$63 million is expected to be funded from third-party revenue (revenue department and revenue other) in 2023/24. The remainder of just over \$3,450 million is funded by revenue Crown.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> 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.	961,447	961,447	<b>1,046,183</b>
<b>Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> 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.	1,042,616	1,042,616	<b>1,132,393</b>
<b>Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> 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.	670,913	670,913	<b>713,991</b>
<b>Total Departmental Output Expenses</b>	2,674,976	2,674,976	2,892,567
<b>Departmental Other Expenses</b>			
<b>Loss on Sale of Physical Assets (M22) (A27)</b> This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	7,260	7,260	-
<b>Total Departmental Other Expenses</b>	7,260	7,260	-
<b>Departmental Capital Expenditure</b>			
<b>New Zealand Defence Force - Capital Expenditure PLA (M22) (A27)</b> 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.	1,457,334	1,457,334	1,612,896
<b>Total Departmental Capital Expenditure</b>	1,457,334	1,457,334	1,612,896
<b>Non-Departmental Output Expenses</b>			
<b>Development and Maintenance of Services Cemeteries (M75) (A27)</b> This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	<b>746</b>
<b>Total Non-Departmental Output Expenses</b>	746	746	746
<b>Non-Departmental Other Expenses</b>			
<b>Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27)</b> 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	<b>203</b>
<b>Grant Payments to Non-Government Organisations (M75) (A27)</b> This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	275	<b>275</b>
<b>Impairment of Debt for Benefits or Related Expenses (M75) (A27)</b> This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.	250	250	<b>250</b>

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Military Veterans Kaupapa Inquiry Claimant Costs (M22) (A27)</b> This appropriation is limited to the costs of claimants, their witnesses and necessary support people to participate in the Wai 2500 Military Veterans Kaupapa Inquiry.	250	250	<b>250</b>
<b>Service Cost - Veterans' Entitlements (M75) (A27)</b> 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.	12,000	12,000	<b>12,000</b>
<b>Support for Early Childhood Education Services Associated with Defence Bases (M22) (A27)</b> This appropriation is limited to support for Early Childhood Education services whose ongoing operation is essential to the viability of Defence bases.	350	350	<b>350</b>
<b>Support for Vietnam Veterans (M75) (A27)</b> This appropriation is limited to annual comprehensive medical assessments for Vietnam veterans, the monitoring of trends in the health and wellbeing of Vietnam veterans and providing this information to veterans, and ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions.	5,100	5,100	<b>3,100</b>
<b>Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27)</b> This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	200	<b>200</b>
<b>Unwind of Discount Rate - Veterans' Entitlements (M75) (A27)</b> 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.	95,000	95,000	-
<b>Total Non-Departmental Other Expenses</b>	113,628	113,628	16,628
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Advice to the Government MCA (M22) (A27)</b> The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	17,760	17,760	<b>15,690</b>
<b>Departmental Output Expenses</b>			
<i>Policy Advice</i> 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.	3,281	3,281	3,687
<i>Situational Awareness</i> 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.	12,180	12,180	9,955
<i>Supporting Ministers</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	2,299	2,299	2,048
<b>Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27)</b> The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas and provision of military capabilities overseas at the Government's direction.	36,587	36,587	<b>30,883</b>
<b>Departmental Output Expenses</b>			
<i>Military Operations in Support of a Rules-Based International Order</i> 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.	35,072	35,072	30,368

Titles and Scopes of Appropriations by Appropriation Type	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Military Operations that Contribute to Regional Security</b> 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.	1,515	1,515	515
<b>Policy Advice And Other Services For Veterans MCA (M75) (A27)</b> 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.	12,125	12,125	<b>12,870</b>
<b>Departmental Output Expenses</b>			
<b>Administration Services</b> 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.	2,956	2,956	4,176
<b>Policy Advice</b> 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.	230	230	230
<b>Services and Payments to Veterans</b> 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.	8,939	8,939	8,464
<b>Protection of New Zealand and New Zealanders MCA (M22) (A27)</b> The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	543,495	543,495	<b>574,544</b>
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b> 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.	103,879	103,879	92,444
<b>Defence International Engagement</b> 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.	112,491	112,491	107,966
<b>Defence Support to the Community</b> 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.	62,131	62,131	64,235
<b>Military Assistance to Civil Authorities in Non-Emergency Situations</b> This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.	52,714	52,714	40,163
<b>Resource and Border Protection Operations</b> 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.	212,280	212,280	269,736
<b>Total Multi-Category Expenses and Capital Expenditure</b>	609,967	609,967	633,987
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	4,863,911	4,863,911	5,156,824

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Other Expenses</b>		
<b>Unwind of Discount Rate - Veterans' Entitlements (M75) (A27)</b> 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.  Commences: 01 July 2023  Expires: 30 June 2026	Original Appropriation	317,000
	Adjustments to 2021/22	-
	Adjustments for 2022/23	-
	Adjusted Appropriation	317,000
	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	-
	Estimate for 2023/24	105,000
	Estimated Appropriation Remaining	212,000

## Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	4,863,911	4,863,911	5,156,824
Total Forecast MYA Non-Departmental Other Expenses	-	-	105,000
<b>Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations</b>	<b>4,863,911</b>	<b>4,863,911</b>	<b>5,261,824</b>

## Capital Injection Authorisations

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	924,035	924,035	664,878

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Defence Force Remuneration	<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	27,274	27,274	27,274	27,274
	<b>Army Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	41,960	41,960	41,960	41,960
	<b>Navy Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	17,833	17,833	17,833	17,833
	<b>Advice to the Government MCA</b> Situational Awareness Departmental Output Expense	-	1,049	1,049	1,049	1,049
	<b>Protection of New Zealand and New Zealanders MCA</b> Assist Civil Power & Provision of a Public Service in Emergency Situations Departmental Output Expense	-	3,147	3,147	3,147	3,147
	<b>Protection of New Zealand and New Zealanders MCA</b> Defence International Engagement Departmental Output Expense	-	3,147	3,147	3,147	3,147
	<b>Protection of New Zealand and New Zealanders MCA</b> Defence Support to the Community Departmental Output Expense	-	3,147	3,147	3,147	3,147
	<b>Protection of New Zealand and New Zealanders MCA</b> Resource and Border Protection Operations Departmental Output Expense	-	6,294	6,294	6,294	6,294
	<b>Policy Advice And Other Services For Veterans MCA</b> Administration Services Departmental Output Expense	-	1,049	1,049	1,049	1,049
	<b>Total</b>		-	104,900	104,900	104,900

Policy Initiative	Appropriation	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Veterans' Mental and Physical Health and Wellbeing	<b>Policy Advice And Other Services For Veterans MCA</b> Administration Services Departmental Output Expense	-	250	250	250	250
Defence Force Operational Cost Pressures	<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	2,622	2,645	2,645	2,645
	<b>Army Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	741	747	747	747
	<b>Navy Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	1,767	1,783	1,783	1,783
	<b>Protection of New Zealand and New Zealanders MCA</b> Resource and Border Protection Operations Departmental Output Expense	-	570	575	575	575
	Total	-	5,700	5,750	5,750	5,750
Frigate Communications - Phase 2	<b>Navy Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	-	-	1,519	1,921
Frigate Sustainment - Phase 1	<b>Navy Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	500	500	500	500
	<b>New Zealand Defence Force - Capital Injection</b> Capital Injection	-	25,217	14,623	17,160	-
	Total	-	25,717	15,123	17,660	500
Ohakea Infrastructure Programme	<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	252	646	646	646
Veterans' Entitlements Service Cost Baseline Reduction	<b>Service Cost - Veterans' Entitlements</b> Non-Departmental Other Expense	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)
Total Initiatives		(8,000)	128,819	118,669	122,725	105,967

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2018/19	2019/20	2020/21	2021/22	2022/23		2023/24			2024/25	2025/26	2026/27
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	2,173,246	2,289,018	2,287,179	2,469,380	2,675,722	2,675,722	2,892,567	746	2,893,313	2,940,113	2,943,655	2,945,652
Benefits or Related Expenses	113,906	86,709	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,214	3,199,354	105,052	54,587	120,888	120,888	-	121,628	121,628	121,378	121,378	124,378
Capital Expenditure	722,045	484,392	798,596	1,183,604	1,457,334	1,457,334	1,612,896	-	1,612,896	1,301,703	543,302	699,026
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	554,518	552,640	625,456	650,240	609,967	609,967	633,987	-	633,987	648,054	650,830	650,980
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	3,565,929	6,612,113	3,816,283	4,357,811	4,863,911	4,863,911	5,139,450	122,374	5,261,824	5,011,248	4,259,165	4,420,036
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-	N/A	-	-	-	-	-

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

## **Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring**

There have been no restructuring adjustments to prior-year information in the Summary of Financial Activity table.

## 1.3 - Analysis of Significant Trends

### *Output Expenses*

The increases in annual departmental output expenses between 2018/19 and 2026/27 are due to new funding as a result of the Defence White Paper 2016, the Strategic Defence Policy Statement 2018, the Defence Capability Plan Review 2019, and the 2020 Baseline Review recommendations. This includes the introduction into service of new capabilities to enhance and maintain the outputs delivered by the New Zealand Defence Force. The increase from 2022/23 is due to Budget 2023 initiatives that have restored the depreciation baseline and provided support for remuneration and non-discretionary cost pressures.

Other factors impacting the period in review is new funding to enable the successful completion of components of the Defence Estate Regeneration and Consolidated Logistics Programmes, and increase in the capital charge as a result of the acquisition of the Boeing P-8A Poseidon aircraft for future air surveillance.

### *Multi-Category Expenses and Capital Expenditure*

The underlying baseline has been constant since 2018/19 with movements in the MCAs as a result of the provision of Humanitarian Assistance and Disaster Relief (HADR) operations, operational deployments to United Nations, and Multi-National operations that contribute to New Zealand's Security, Stability and Interests. The increase in 2020/21 and 2021/22 is a result of the New Zealand Defence Force's delivery of isolation facilities and border services in support of the Government's response to the COVID-19 pandemic, through OP PROTECT. The decrease observed in 2022/23 is a result of these services and associated expenditure coming to an end.

Increases from 2023/24 onwards are due to the acquisition of the Boeing P-8A Poseidon aircraft to assist in ongoing resource and border protection.

### *Other Expenses*

The other expense appropriations are higher in 2019/20 due to a one-off expense of \$3,184 million following a change in the accounting treatment to recognise the Veterans' Entitlements liability. The decrease in 2021/22 expenditure is a result of lower interest rates influencing the cost of the Veterans' Entitlements liability at that time. Subsequently interest rates have risen, and expenditure from 2022/23 onwards has increased.

### *Capital Expenditure*

The capital expenditure appropriation between 2018/19 and 2026/27 reflects the agreed level of investment in the New Zealand Defence Force as a result of the Defence White Paper 2016, the Strategic Defence Policy Statement 2018, and the Defence Capability Plan Review 2019 recommendations. This includes introduction into service of new capabilities to enhance and maintain the outputs delivered by the New Zealand Defence Force.

The increased expenditure levels between 2020/21 and 2024/25 are primarily a result of funding being approved for the acquisition of the Boeing P-8A Poseidon aircraft for future air surveillance and the Lockheed Martin C-130J Hercules for future air mobility.

### *Benefits or Related Expenses*

The decrease in annual Benefits or Related Expenses appropriations between 2018/19 and 2020/21 were primarily due to the Veteran services and payment appropriations being discontinued following a change in the accounting treatment of Veterans' Entitlements.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)

##### *Scope of Appropriation*

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.

##### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	961,447	961,447	1,046,183
Revenue from the Crown	950,289	950,289	1,035,055
Revenue from Others	11,158	11,158	11,128

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the following:

- A surveillance and response capability prepared for counter sea operations in support of maritime warfare operations.
- A surveillance and response capability prepared for intelligence, surveillance and reconnaissance operations in support of maritime security operations.
- A naval air combat capability for embarkation in surface ships for maritime warfare and security operations.
- A surveillance and response capability prepared to support special operations forces in the land and maritime environments.
- A strategic air mobility capability prepared to deploy, sustain and recover deployed forces.
- A theatre air mobility capability prepared for personnel movement and cargo operations within a designated area of operations.
- A tactical air mobility capability prepared to support land operations, special operations forces, aeromedical evacuation and joint personnel recovery.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval aviation operations capabilities prepared for maritime warfare and security operations (see Note 1)	85.7%	85.7%	100%
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for counter sea and surveillance operations	29%	29%	100%
Percentage of Government directed readiness levels achieved and maintained to provide fixed wing theatre air mobility capabilities prepared for intra-theatre air transport and air manoeuvre operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide tactical air mobility capabilities prepared for tactical air transport and air manoeuvre operations (see Note 2)	95%	95%	100%
Percentage of Government directed readiness levels achieved and maintained to provide strategic air mobility capabilities prepared for inter-theatre air transport operations	93.8%	93.8%	100%

The Budget Standard is the benchmark that the NZDF intends to measure its performance against in the coming financial year. There are a number of factors which may limit the NZDF's ability to reach this target including: personnel availability, training levels, and the availability of equipment and platforms, all of which have the potential to enhance or reduce the NZDF's performance over the year. Where this is known, the NZDF will provide an update to the expected levels of performance in Supplementary Estimates.

The standards for 2023/24 have returned to the benchmark, after reductions during 2022/23 which were due to:

Note 1 - Obsolescence-driven serviceability issues causing unavailability of SH-2G(I) Seasprite helicopters reducing naval aviation readiness.

Note 2 - Unserviceability of Boeing 757 engines reducing strategic air mobility readiness.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2024 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Canterbury and Offshore Patrol Vessel Communications Upgrade	2023/24	-	1,000	1,000	1,000	1,000
Defence Force Operational Cost Pressures	2023/24	-	2,622	2,645	2,645	2,645
Ohakea Infrastructure Programme	2023/24	-	252	646	646	646
Defence Force Construction Cost Pressures	2022/23	1,560	1,300	-	-	-

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Defence Force Remuneration	2022/23	5,725	32,999	32,999	32,999	32,999
Defence Force Supply Chain Cost Pressures	2022/23	756	756	756	756	756
Fixed High Frequency Radio Capability Refresh Project	2022/23	233	432	432	432	432
New Zealand Defence Force Retention: Funding Request	2022/23	2,813	-	-	-	-
Ohakea Infrastructure Project Initial Airfields Project	2022/23	340	583	583	583	583
Ohakea Infrastructure Project Programme and Design	2022/23	391	799	799	799	799
Operational and Regulatory Aviation Compliance Sustainment Project	2022/23	57	2,589	4,338	3,159	3,159
Defence Estate Regeneration: Ohakea Infrastructure Programme - Tranche 1	2021/22	128	128	128	128	128
Defence Force Depreciation Funding Shortfall	2021/22	30,372	42,900	42,900	42,900	42,900
Depreciation on Asset Revaluation	2021/22	2,196	2,196	2,196	2,196	2,196
PFAS Programme: Ohakea Community Water Supply	2021/22	200	200	200	200	200
State Sector Decarbonisation Tranche Five	2021/22	51	50	25	-	-
Delivering on the Strategic Defence Policy Statement 2018	2020/21	56,268	56,249	56,249	56,249	56,249
Future Air Mobility Capability	2020/21	10,717	30,401	100,725	106,462	107,532
Security Capability Programme	2020/21	1,120	1,120	1,120	1,120	1,120
Generation Of Air Force Capabilities To Deliver Defence Policy	2019/20	6,499	6,499	6,499	6,499	6,499
Generation Of Defence Estate To Support Delivery Of Defence Policy	2019/20	2,447	2,447	2,447	2,447	2,447
Generation Of Military Enablers To Support Delivery Of Defence Policy	2019/20	1,317	1,317	1,317	1,317	1,317
Generation Of People Capability To Support Delivery Of Defence Policy	2019/20	1,740	1,740	1,740	1,740	1,740

### *Reasons for Change in Appropriation*

This appropriation increased by \$84.736 million to \$1,046.183 million for 2023/24 mainly due to increased funding of:

- \$70.088 million for the baseline roll out from 2022/23 to 2023/24 relating to the purchase of Boeing P-8A Poseidon aircraft
- \$27.274 million to support the Defence Force remuneration
- \$19.684 million for future air mobility capability, and
- \$12.128 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital expenditure.

The increases have been partially offset by decreases of \$50.500 million for the alignment of funding to the delivery of outputs.

## Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)

### *Scope of Appropriation*

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.

### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,042,616	1,042,616	1,132,393
Revenue from the Crown	1,023,421	1,023,421	1,113,198
Revenue from Others	19,195	19,195	19,195

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the following:

- Special Operations Forces prepared for theatre-level special operations to prevent terrorism and asymmetric threats reaching New Zealand's sovereign territory and those territories for which New Zealand has a strategic interest.
- A combined arms land combat capability prepared to conduct global complex warfighting operations in a mid-intensity environment within a coalition in order to deter an aggressor from engaging in hostile activities.
- A combined arms land combat capability prepared to lead regional stabilisation operations, support a host nation to protect the population, assist with the restoration of law and order and attend to the immediate humanitarian needs of the people.
- A designated high-readiness land combat capability prepared to respond to regional crises.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for global complex warfighting operations (see Note 1)	0%	0%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations (see Note 1)	33%	33%	100%

The Budget Standard is the benchmark that the NZDF intends to measure its performance against in the coming financial year. There are a number of factors which may limit the NZDF's ability to reach this target including: personnel availability, training levels, and the availability of equipment and platforms, all

of which have the potential to enhance or reduce the NZDF's performance over the year. Where this is known, the NZDF will provide an update to the expected levels of performance in Supplementary Estimates.

Note 1 - The standards for 2023/24 have returned to the benchmark, after reductions during 2022/23 which were due to:

- the impact of the prolonged deployment of Army in support of the All of Government response to COVID-19 resulting in the degradation of trained states, and
- unprecedented attrition having a significant impact on the ability to regenerate capability.

These performance delivery variations were pre-identified in the Schedule to the NZDF Annual Plan; Directed Outputs for 22/23.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2024 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Defence Force Operational Cost Pressures	2023/24	-	741	747	747	747
Modernising the Delivery of New Zealand Defence Force Logistics	2023/24	(3,872)	(3,759)	(3,645)	(3,528)	(3,409)
Consolidated Logistics Project	2022/23	3,287	2,910	2,432	2,432	2,432
Defence Force Construction Cost Pressures	2022/23	3,000	2,500	-	-	-
Defence Force Remuneration	2022/23	8,986	50,946	50,946	50,946	50,946
Defence Force Supply Chain Cost Pressures	2022/23	378	378	378	378	378
Fixed High Frequency Radio Capability Refresh Project	2022/23	233	432	432	432	432
Linton Maintenance Support Facility Build	2022/23	314	1,059	1,059	1,059	1,059
Logistics Management Information System	2022/23	735	894	355	432	483
New Zealand Defence Force Retention: Funding Request	2022/23	5,494	-	-	-	-
Protected Vehicle - Medium Procurement	2022/23	2,379	5,771	5,771	5,771	5,771
Defence Force Depreciation Funding Shortfall	2021/22	23,188	34,700	34,700	34,700	34,700
Depreciation on Asset Revaluation	2021/22	17,291	17,291	17,291	17,291	17,291
State Sector Decarbonisation Tranche Five	2021/22	50	51	25	-	-
Delivering on the Strategic Defence Policy Statement 2018	2020/21	67,937	72,168	72,168	72,168	72,168
Enterprise Cloud and Enterprise Connectivity	2020/21	1,080	1,080	1,080	-	-
Security Capability Programme	2020/21	1,120	1,120	1,120	1,120	1,120
Generation of Army Capabilities to Deliver Defence Policy	2019/20	2,073	2,073	2,073	2,073	2,073

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Generation of Defence Estate to Support Delivery of Defence Policy	2019/20	4,955	4,955	4,955	4,955	4,955
Generation of Military Enablers to Support Delivery of Defence Policy	2019/20	3,799	3,799	3,799	3,799	3,799
Network Enabled Army Programme: Tranche Two	2019/20	7,673	7,673	7,673	7,673	7,673

### *Reasons for Change in Appropriation*

This appropriation increased by \$89.777 million to \$1,132.393 million for 2023/24 mainly due to increased funding of:

- \$41.960 million to support Defence Force remuneration
- \$40.500 million for the alignment of funding to the delivery of outputs, and
- \$10.612 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital expenditure.

### **Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)**

#### *Scope of Appropriation*

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.

#### *Expenses and Revenue*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	670,913	670,913	713,991
Revenue from the Crown	662,317	662,317	705,395
Revenue from Others	8,596	8,596	8,596

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the following:

- A naval combat capability with ships and organic aircraft prepared to conduct maritime warfare and security operations within a coalition naval task group, protect military and commercial shipping and related operations to enforce international law and prohibit the movement of specified items, people or vessels.
- Amphibious sealift capabilities prepared to project forces from sea and sustain deployed forces.
- A strategic replenishment capability prepared to project and sustain deployed maritime, land and air forces.

- A naval patrol capability prepared to carry out surveillance, deter unlawful activity and interdict vessels of interest; to contribute to government efforts to secure borders, protect resources and enable New Zealand law to be enforced at sea and assist regional nations in ensuring the security of their respective maritime domains.
- A deployable maritime capability prepared to conduct operations that safeguards access to and the use of harbours, inshore waters and littoral zones in New Zealand and wherever NZDF forces are required to operate.
- A maritime capability, available for employment as a single ship or multi-ship international deployment in support of scheduled defence international engagement initiatives.
- A shore-based capability able to implement naval cooperation and guidance for shipping and provide for the naval supervision of shipping in a crisis.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime warfare operations (see Note 1)	57%	57%	100%
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime security operations (see Note 1)	71%	71%	100%
Percentage of Government directed readiness levels achieved and maintained to provide naval patrol capabilities prepared for domestic and regional resource and border protection operations (see Note 2)	93%	93%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift (see Note 3)	90%	90%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for replenishment	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for littoral warfare support	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide maritime trade operations capabilities prepared for naval guidance and supervision of shipping	100%	100%	100%

The Budget Standard is the benchmark that the NZDF intends to measure its performance against in the coming financial year. There are a number of factors which may limit the NZDF's ability to reach this target including: personnel availability, training levels, and the availability of equipment and platforms, all of which have the potential to enhance or reduce the NZDF's performance over the year. Where this is known, the NZDF will provide an update to the expected levels of performance in Supplementary Estimates.

The standards for 2023/24 have returned to the benchmark, after reductions during 2022/23 which were due to:

Note 1 - The frigates HMNZS Te Kaha and Te Mana undergoing their introduction into service post the frigate system upgrade project. During this period they will have limited warfare and security capability.

Note 2 - High levels of attrition across the workforce resulting in Navy being unable to safely crew all platforms across the Naval Patrol Force. As a result, three of four naval patrol vessels have gone into extended readiness arrangements. The naval patrol effect has and will continue to be covered by the remaining fleet elements with some limits. Should the number of pre-planned taskings increase over the remainder of the financial year, this performance measure may see further reduction.

Note 3 - HMNZS Canterbury's force generation being impacted by emergent maintenance issues reducing the readiness for amphibious sealift capability.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2024 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Frigate Communications - Phase 2	2025/26	-	-	-	1,519	1,921
Communications Frigate Sustainment	2024/25	-	-	66	486	841
Frigate Sustainment - Phase 1	2023/24	-	500	500	500	500
Defence Force Operational Cost Pressures	2023/24	-	1,767	1,783	1,783	1,783
New Zealand Defence Force Retention: Funding Request	2022/23	2,333	-	-	-	-
Fixed High Frequency Radio Capability Refresh Project	2022/23	233	432	432	432	432
Defence Force Supply Chain Cost Pressures	2022/23	140	140	140	140	140
Defence Force Remuneration	2022/23	3,907	21,740	21,740	21,740	21,740
Defence Force Construction Cost Pressures	2022/23	960	800	-	-	-
State Sector Decarbonisation Tranche Five	2021/22	50	50	24	-	-
Depreciation on Asset Revaluation	2021/22	3,843	3,843	3,843	3,843	3,843
Defence Force Depreciation Funding Shortfall	2021/22	27,942	38,675	38,675	38,675	38,675
Security Capability Programme	2020/21	560	560	560	560	560
Delivering on the Strategic Defence Policy Statement 2018	2020/21	52,233	54,612	54,612	54,612	54,612
Generation of People Capability to Support Delivery of Defence Policy	2019/20	7,761	7,761	7,761	7,761	7,761
Generation of Navy Capabilities to Deliver Defence Policy	2019/20	8,828	8,828	8,828	8,828	8,828
Generation of Military Enablers to Support Delivery of Defence Policy	2019/20	1,054	1,054	1,054	1,054	1,054
Generation of Defence Estate to Support Delivery of Defence Policy	2019/20	1,348	1,348	1,348	1,348	1,348

### *Reasons for Change in Appropriation*

This appropriation increased by \$43.078 million to \$713.991 million for 2023/24 mainly due to increased funding of:

- \$17.833 million to support Defence Force remuneration, and
- \$15 million for the alignment of funding to the delivery of outputs.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### New Zealand Defence Force - Capital Expenditure PLA (M22) (A27)

#### *Scope of Appropriation*

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.

#### *Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,454,563	1,454,563	1,603,277
Intangibles	2,771	2,771	9,619
Other	-	-	-
<b>Total Appropriation</b>	<b>1,457,334</b>	<b>1,457,334</b>	<b>1,612,896</b>

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve maintained and upgraded capabilities of NZDF equipment and infrastructure in support of the delivery of NZDF's services.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure supports the delivery of the department's output performance measures in accordance with the Defence Mid-Point Rebalancing Review, 2016 Defence White Paper and the Defence Capability Plan Review 2019	Achieved	Achieved	Achieved

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2024 to be presented to the House.

#### *Reasons for Change in Appropriation*

This appropriation increased by \$155.562 million to \$1,612.896 million for 2023/24 mainly due to the spending profile on major projects agreed in the Defence White Paper 2016 and consistent with the Strategic Defence Policy Statement 2018 and the Defence Capability Plan Review 2019.

*Capital Injections and Movements in Departmental Net Assets***New Zealand Defence Force**

Details of Net Asset Schedule	2022/23 Estimated Actual \$000	2023/24 Projected \$000	Explanation of Projected Movements in 2023/24
Opening Balance	9,274,853	10,198,888	
Capital Injections	924,035	664,878	Capital injections are for projects to enhance and maintain the capability of the New Zealand Defence Force in line with the Defence White Paper 2016, the Defence Strategic Policy Statement 2018 and the Defence Capability Plan Review 2019. The capital injections in 2023/24 are for the purchase of Future Air Mobility Capability (\$605.277 million), Frigate Sustainment - Phase 1 (\$25.217 million), drawdown of the tagged contingency for Frigate Communications (\$20.569 million), and the P-8A Poseidon aircraft for future air surveillance (\$13.815 million).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>10,198,888</b>	<b>10,863,766</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### Development and Maintenance of Services Cemeteries (M75) (A27)

##### *Scope of Appropriation*

This appropriation is limited to the development and maintenance of Services Cemeteries.

##### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	746	746	746

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the development and maintenance of services cemeteries.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The annual maintenance and development works plan outcomes are achieved	95%	95%	95%
<i>Services cemeteries will be maintained in accordance with the Standard of Care agreements</i>			
Service cemeteries have a Standard of Care agreement in place	95%	95%	95%
Planned monitoring visits completed	100%	100%	100%

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for Veterans' Affairs in a report appended to the NZDF Annual Report for the year ending 30 June 2024 to be presented to the House.

##### *Service Providers*

There are approximately 185 annual maintenance grant payments made to local councils across New Zealand for each Services Cemetery. Works grants are also made to contractors around New Zealand for maintenance works.

## 3.4 - Non-Departmental Other Expenses

### Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27)

#### *Scope of Appropriation*

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.

#### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	203	203	203

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the fair value write-down on the Veteran Trusts' Loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because 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.

### Grant Payments to Non-Government Organisations (M75) (A27)

#### *Scope of Appropriation*

This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.

#### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	275	275	275

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to provide grant payments to Non-Government Organisations in their support of veterans and their families.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

## Impairment of Debt for Benefits or Related Expenses (M75) (A27)

### *Scope of Appropriation*

This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.

### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	250	250

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the write-down of Crown debtors by the NZDF.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.

## Military Veterans Kaupapa Inquiry Claimant Costs (M22) (A27)

### *Scope of Appropriation*

This appropriation is limited to the costs of claimants, their witnesses and necessary support people to participate in the Wai 2500 Military Veterans Kaupapa Inquiry.

### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	250	250

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to enable participation of claimants, their witnesses and necessary support people in the Wai 2500 Military Veterans Kaupapa Inquiry.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

## Service Cost - Veterans' Entitlements (M75) (A27)

### *Scope of Appropriation*

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.

### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,000	12,000	12,000

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to recognise the service costs related to the future liability to provide support for veterans through the ongoing provision of medical assessments and treatments; the provision of services; and the payment 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 operational service.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is limited to the present value of entitlements to Veterans.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Veterans' Entitlements Service Cost Baseline Reduction	2022/23	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)

## Support for Early Childhood Education Services Associated with Defence Bases (M22) (A27)

### Scope of Appropriation

This appropriation is limited to support for Early Childhood Education services whose ongoing operation is essential to the viability of Defence bases.

### Expenses

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	350	350	350

### What is Intended to be Achieved with this Appropriation

This appropriation is intended to provide support for Early Childhood Education services whose ongoing operation is essential to the viability of Defence bases.

### How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

### Service Providers

Provider	2022/23 Final Budgeted \$000	2022/23 Estimated Actual \$000	2023/24 Budget \$000	Expiry of Resourcing Commitment
Waiouru Kindergarten and Early Childcare Education Services	350	350	350	Permanent
Total	350	350	350	

## Support for Vietnam Veterans (M75) (A27)

### Scope of Appropriation

This appropriation is limited to annual comprehensive medical assessments for Vietnam veterans, the monitoring of trends in the health and wellbeing of Vietnam veterans and providing this information to veterans, and ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions.

### Expenses

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	5,100	5,100	3,100

### *What is Intended to be Achieved with this Appropriation*

As well as achieving the payment of ex-gratia payments and annual comprehensive medical assessments to eligible Vietnam veterans, it is intended that this appropriation will also allow for the monitoring of trends in the health and wellbeing of up to 3,000 Vietnam veterans and their families with the associated provision of this information to veterans.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Ex-Gratia Payments to Vietnam Veterans	2022/23	2,000	-	-	(2,000)	-
Expansion of Prescribed Conditions for Vietnam Veterans	2021/22	2,000	2,000	2,000	2,000	2,000

## **Unwind of Discount Rate - Veterans' Entitlements (M75) (A27)**

### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Unwind of Discount Rate - Veterans' Entitlements (M75) (A27)</b> 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.	Original Appropriation	317,000
	Adjustments to 2021/22	-
	Adjustments for 2022/23	-
	Adjusted Appropriation	317,000
Commences: 01 July 2023	Actual to 2021/22 Year End	-
	Estimated Actual for 2022/23	-
Expires: 30 June 2026	Estimate for 2023/24	105,000
	Estimated Appropriation Remaining	212,000

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to recognise the unwinding of discount rates to provide support for veterans through the ongoing provision of medical assessments and treatments; the provision of services; and the payment 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 operational service.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is limited to the unwinding of the discount rate (interest expense) of the liability for the Veterans' entitlements.

### *Reasons for Change in Appropriation*

This is a new appropriation in 2023/24, following the conversion of an annual appropriation for the purposes of the unwinding of discount rates into this new multi-year appropriation.

## **Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27)**

### *Scope of Appropriation*

This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.

### *Expenses*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	200	200	200

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve increased support for veterans to attend commemorations and revisit battlefields over the Vietnam 50th anniversary commemoration period and beyond.

### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

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

## 4 - Multi-Category Expenses and Capital Expenditure

### Advice to the Government (M22) (A27)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.

#### *Scope of Appropriation*

##### **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.

###### *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.

###### *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.

#### *Expenses, Revenue and Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>17,760</b>	<b>17,760</b>	<b>15,690</b>
<b>Departmental Output Expenses</b>			
Policy Advice	3,281	3,281	3,687
Situational Awareness	12,180	12,180	9,955
Supporting Ministers	2,299	2,299	2,048
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>17,603</b>	<b>17,603</b>	<b>15,649</b>
Policy Advice	3,177	3,177	3,676
Situational Awareness	12,135	12,135	9,933
Supporting Ministers	2,291	2,291	2,040
<b>Revenue from Others</b>	<b>157</b>	<b>157</b>	<b>41</b>
Policy Advice	104	104	11
Situational Awareness	45	45	22
Supporting Ministers	8	8	8

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of policy advice, situational awareness and support to Ministers in discharging their portfolio responsibilities.

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
The supply of high quality individual products, as shown in the tables below	Meet	Met	Meet

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Policy Advice</b>			
This category is intended to achieve the provision of accurate, timely and responsive policy advice			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the refreshed satisfaction survey	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%
Technical quality of policy advice papers assessed by a survey with a methodical robustness of 90%. (The higher the robustness score, the stronger the methodical quality of the completed assessment)	See Note 1	See Note 1	See Note 1
<b>Situational Awareness</b>			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes	Not less than 90%	Not less than 90%	Not less than 90%
<b>Supporting Ministers</b>			
This category is intended to achieve the provision of quality and timely support to Ministers			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations	Not less than 90%	Not less than 90%	Not less than 90%

Note 1 - Measure for technical quality of policy advice papers - At least 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

## End of Year Performance Reporting

Performance will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2024 to be presented to the House.

## Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Defence Force Remuneration	2022/23	188	1,237	1,237	1,237	1,237

## Operations Contributing to New Zealand's Security, Stability and Interests (M22) (A27)

### Overarching Purpose Statement

The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas and provision of military capabilities overseas at the Government's direction.

### Scope of Appropriation

#### Departmental Output Expenses

##### *Military Operations in Support of a Rules-Based International Order*

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*

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.

## Expenses, Revenue and Capital Expenditure

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>36,587</b>	<b>36,587</b>	<b>30,883</b>
<b>Departmental Output Expenses</b>			
Military Operations in Support of a Rules-Based International Order	35,072	35,072	30,368
Military Operations that Contribute to Regional Security	1,515	1,515	515
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>36,278</b>	<b>36,278</b>	<b>30,574</b>
Military Operations in Support of a Rules-Based International Order	34,808	34,808	30,104
Military Operations that Contribute to Regional Security	1,470	1,470	470
<b>Revenue from Others</b>	<b>309</b>	<b>309</b>	<b>309</b>
Military Operations in Support of a Rules-Based International Order	264	264	264
Military Operations that Contribute to Regional Security	45	45	45

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to enhance all-of-government capacity to respond to regional crises and contribute to military operations in support of a rules-based international order.

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Operations Contributing to New Zealand's Security, Stability and Interests MCA			
Achieve the conduct of military operations and other tasks that support the Government's strategic interests	Meet	Met	Meet
Enhance all-of-government capacity to respond to regional crises	Meet	Met	Meet

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Military Operations in Support of a Rules-Based International Order</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 2021)</i>			
Contribute to United Nations Mission UNTSO (Middle East) [Operation Scoria]	Meet	Met	Meet
Contribute to United Nations Mission UNMISS (South Sudan) [Operation Sudden]	Meet	Met	Meet
Contribute to UNCMAC (Republic of Korea) [Operation Monitor]	Meet	Met	Meet
<b>Lead and contribute to regional contingency military operations, as listed</b>			
Contribute military forces to MFO Sinai (Operation Farad)	Meet	Met	Meet
Contribute military forces to Operation Troy (Middle East)	Meet	Met	Meet
Contribute military forces to Operation Pukeko (Middle East)	Meet	Met	Meet
Contribute to Operation Tiki (Middle East)	Meet	Met	Meet
Contribute to Operation Solar (Middle East)	Meet	Met	Meet
Contribute to Operation Mohua (Middle East)	Meet	Met	Meet
Contribute to Operation Whio (UNSCAR sanctions against North Korea)	Meet	Met	Meet

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Military Operations that Contribute to Regional Security</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed	100%	100%	100%
Percentage of the agreed notice to move met for strategic airlift and sealift capabilities to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere	100%	100%	100%
Percentage of the agreed notice to move met for a specialised, high-readiness task group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population	100%	100%	100%

The Budget Standard is the benchmark that the NZDF intends to measure its performance against in the coming financial year. There are a number of factors which may limit the NZDF's ability to reach this target including: personnel availability, training levels, and the availability of equipment and platforms, all of which have the potential to enhance or reduce the NZDF's performance over the year. Where this is known, the NZDF will provide an update to the expected levels of performance in Supplementary Estimates.

### *End of Year Performance Reporting*

Performance will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2024 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
New Zealand Assistance for Ukraine: Continuing Existing Mandates	2022/23	4,704	-	-	-	-
Defence Force Remuneration	2022/23	88	88	88	88	-

## Policy Advice And Other Services For Veterans (M75) (A27)

### *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.

##### *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*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>12,125</b>	<b>12,125</b>	<b>12,870</b>
<b>Departmental Output Expenses</b>			
Administration Services	2,956	2,956	4,176
Policy Advice	230	230	230
Services and Payments to Veterans	8,939	8,939	8,464
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>12,125</b>	<b>12,125</b>	<b>12,870</b>
Administration Services	2,956	2,956	4,176
Policy Advice	230	230	230
Services and Payments to Veterans	8,939	8,939	8,464

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of policy advice, other support to Ministers in discharging their policy decision making and other portfolio responsibilities, and the provision of services and payments to veterans.

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Policy Advice and Other Services for Veterans MCA</b>			
The satisfaction of veterans as expressed in the annual Veteran Survey rating of overall satisfaction with Veterans' Affairs Services and Payments to Veterans	85%	85%	85%
The satisfaction of the Minister of Veterans' Affairs with the policy advice service, as per the refreshed satisfaction survey	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Administration Services</b>			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision making) responsibilities, assisting with the coordination of commemorations and the provision of administration services to relevant boards and panels and contracts for work carried out in Services Cemeteries			
<b>Provide Ministerial Servicing and Support</b>			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
<b>Provide Administration support to Boards and Panels as set out in the Veterans' Support Act 2014</b>			
Arrangements and actions meet Board/panels statutory requirements	Meet	Met	Meet
<b>Assist with the coordination of New Zealand's participation in the commemoration of significant military anniversaries</b>			
Participation will be delivered in accordance with agreed parameters and budget	Meet	Met	Meet

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Policy Advice</b>			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on Government policy matters relating to Veterans' Affairs			
<b>Provide policy advice to support decision making by Ministers</b>			
All new and substantial amendments and replacements of Statement of Principles (SOPs) are reported to the Veterans' Health Advisory Panel, the Minister for Veterans and the Cabinet Legislation Committee for consideration and decisions regarding adoption. All minor amendments to SOPs are reported directly to the Minister for Veterans for consideration and decisions regarding adoption	100%	100%	100%
Replies to requests within 20 working days, if not otherwise specified	95%	95%	95%
The first drafts of all policy products presented to the Minister will be accepted	95%	95%	95%
<b>Services and Payments to Veterans</b>			
<b>Applications and Reviews</b>			
Veterans surveyed are satisfied with the timeliness of VA decisions	80%	80%	80%
Applications are acknowledged within seven working days	100%	100%	100%
Reviews will be completed within 65 days of receipt	100%	100%	100%
<b>Provide Case Management</b>			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	95%	95%	95%
Within 13 weeks after Veterans' Affairs accepts a veteran's claim for entitlements under Scheme One or Two, Veterans' Affairs in association with the Rehabilitation Advisor must determine whether the veteran is likely to need social or vocational rehabilitation and if so prepare a rehabilitation plan in consultation with the veteran	100%	100%	100%
<b>Deal with Enquiries</b>			
Calls will be resolved on first contact	90%	90%	90%

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2024 to be presented to the House.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Veterans' Mental and Physical Health and Wellbeing	2023/24	-	250	250	250	250
Defence Force Remuneration	2022/23	138	1,187	1,187	1,187	1,187
Veterans Health Connect	2020/21	200	200	200	200	200
Promoting and Supporting the Health and Wellbeing of Veterans and Their Families	2019/20	157	157	157	157	157

## Protection of New Zealand and New Zealanders (M22) (A27)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Assistance to the Civil Power and Provision of a Public Service in Emergency Situations*

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.

##### *Defence International Engagement*

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.

##### *Defence Support to the Community*

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.

##### *Military Assistance to Civil Authorities in Non-Emergency Situations*

This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.

##### *Resource and Border Protection Operations*

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.

### *Expenses, Revenue and Capital Expenditure*

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>543,495</b>	<b>543,495</b>	<b>574,544</b>
<b>Departmental Output Expenses</b>			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	103,879	103,879	92,444
Defence International Engagement	112,491	112,491	107,966
Defence Support to the Community	62,131	62,131	64,235
Military Assistance to Civil Authorities in Non-Emergency Situations	52,714	52,714	40,163
Resource and Border Protection Operations	212,280	212,280	269,736

	2022/23		2023/24
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>511,863</b>	<b>511,863</b>	<b>550,319</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	102,279	102,279	90,844
Defence International Engagement	98,163	98,163	101,045
Defence Support to the Community	50,417	50,417	52,521
Military Assistance to Civil Authorities in Non-Emergency Situations	51,696	51,696	39,145
Resource and Border Protection Operations	209,308	209,308	266,764
<b>Revenue from Others</b>	<b>31,632</b>	<b>31,632</b>	<b>24,225</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	1,600	1,600
Defence International Engagement	14,328	14,328	6,921
Defence Support to the Community	11,714	11,714	11,714
Military Assistance to Civil Authorities in Non-Emergency Situations	1,018	1,018	1,018
Resource and Border Protection Operations	2,972	2,972	2,972

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to contribute to the protection of New Zealand's sovereignty and the provision of security for New Zealanders.

### *How Performance will be Assessed for this Appropriation*

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The degree of satisfaction expressed by authorities requesting assistance in accordance with their annual programmes	100%	100%	100%
Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the limited resources available	Meet	Met	Meet

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b>			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability	100%	100%	100%
Percentage of the levels of operational capability and readiness as directed met to generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the New Zealand Police	100%	100%	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance	100%	100%	100%
Percentage of agreed notice to move met for the specialised Explosive Ordnance Disposal Squadron to respond to requests to assist New Zealand Police operations	100%	100%	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations	100%	100%	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations	100%	100%	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas	100%	100%	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand	100%	100%	100%
Percentage of requests met to augment the capacity of Fire and Emergency New Zealand to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire	100%	100%	100%
Percentage of contingency plans in place to assist the civil power mitigate the effects of a maritime disaster and degradation of the marine environment	100%	100%	100%
Percentage of contingency plans in place to assist the civil power within the agreed notice to move to conduct aeromedical evacuation and medical rescue at sea at the Government's direction	100%	100%	100%
Subject to availability of resources, the percentage of requests met for specialised military capabilities to assist New Zealand Police operations to maintain law and order and public safety	100%	100%	100%

	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
<b>Defence International Engagement</b>			
This category is intended to support foreign policy objectives that strengthen security and avert conflict			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF	Meet	Met	Meet
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	100%	100%	100%
Percentage of approved Senior Officer visit programmes completed that maintains a strong network of professional relationships and complements the Government's broader foreign policy objectives	100%	100%	100%
Percentage of maritime deployments, exercises with security partners and ship visits to selected nations completed that are cognisant of the Government's foreign policy and defence engagement priorities and satisfies all-of-government efforts to enhance New Zealand's reputation	100%	100%	100%
Percentage of regional activities participated in that contribute to the Government's foreign policy objectives to improve the resilience, economic and social wellbeing of Pacific Island nations	100%	100%	100%
Percentage of multilateral and bilateral confidence and security building activities participated in that contribute to initiatives that prevent the proliferation of weapons of mass destruction and further New Zealand's foreign policy objectives, as directed by the Government	100%	100%	100%
Percentage of resident and non-resident Defence representation maintained through the assignment of Defence Attaches and Advisers in host nations and in accordance with the Government's direction	100%	100%	100%
The NZDF remains well-informed about defence doctrine and advances in defence-related technology through: 1. maintaining active participation in specific military fora to enable the NZDF to remain well-informed about military doctrine, current military operations and future changes and exchanges of information related to the profession-of-arms; and 2. maintaining a network of relationships with external scientific and technology organisations that contribute to the development of solutions for the Government, the Defence Force, and New Zealand's national security agencies and supports the provision of military capability and promotion of security	Meet	Met	Meet

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Defence Support to the Community</b>			
This category is intended to provide 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			
Percentage of NZDF leadership and skills training activities completed for the New Zealand Cadet Forces to develop confident, responsible young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Social Development requirements for trainees selected for Limited Service Volunteer courses to gain life skills, develop core values, teamwork and trust, which boost self-esteem and confidence	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Education Youth Life Skills programme requirements for Service Academies and the provision of leadership development and outdoors adventure-based training opportunities within high schools	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the New Zealand Police Blue Light Trust with NZDF services to enhance the Trust's youth development programmes nationwide	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of Service Museum Trust Boards with NZDF support to Service Museums and the development, management and display of New Zealand's military history collections for the preservation of New Zealand's military history and culture for the enjoyment of future generations	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction to support significant national and local events that benefit the community through the provision of services at hui of significance and national and local events, including ceremonial and military displays that contribute to the success of the occasion and enhances the identity and professional reputation of the NZDF	Not less than 90%	Not less than 90%	Not less than 90%
<b>Military Assistance to Civil Authorities in Non-Emergency Situations</b>			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction	100%	100%	100%
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support significant military anniversaries, nationally recognised commemorative events and significant commemorative events overseas	100%	100%	100%
Percentage of requests met to provide representational staff for the Viceregal House, military guards, suitably tailored for the occasion, military bands, air, land and sea transport and associated support for viceregal activities	100%	100%	100%
Percentage of requests met to provide air, land and sea transport for members of the Government and guests of the State to support the Government's internal and external transportation requirements	100%	100%	100%

Assessment of Performance	2022/23		2023/24
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Resource and Border Protection Operations</b>			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests			
Percentage of information on maritime traffic, suitably adapted for civil needs that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand	100%	100%	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total air surveillance response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the NZDF's specialised military capabilities to support Antarctic New Zealand's operations in New Zealand and on the Antarctic continent, including contributions to the joint United States/New Zealand logistics pool to support New Zealand's right to sovereignty over the Ross Dependency and continuous presence on the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Foreign Affairs and Trade for the NZDF's provision of specialised military capabilities to support New Zealand's efforts to manage marine living resources on and about the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of total pre-planned tasks requested by the National Maritime Coordination Centre to conduct pre-planned missions to service the offshore islands and demonstrate New Zealand's sovereignty met	Not less than 90%	Not less than 90%	Not less than 90%

The Budget Standard is the benchmark that the NZDF intends to measure its performance against in the coming financial year. There are a number of factors which may limit the NZDF's ability to reach this target including: personnel availability, training levels, and the availability of equipment and platforms, all of which have the potential to enhance or reduce the NZDF's performance over the year. Where this is known, the NZDF will provide an update to the expected levels of performance in Supplementary Estimates.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2024 to be presented in the House.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2022/23 Final Budgeted \$000	2023/24 Budget \$000	2024/25 Estimated \$000	2025/26 Estimated \$000	2026/27 Estimated \$000
Defence Force Operational Cost Pressures	2023/24	-	570	575	575	575
Assistance for Ukraine ICC Secondment	2022/23	400	400	-	-	-
Defence Force Construction Cost Pressures	2022/23	480	400	-	-	-
Defence Force Remuneration	2022/23	3,468	19,203	19,203	19,203	19,203
Defence Force Supply Chain Cost Pressures	2022/23	126	126	126	126	126
Defence Force Depreciation Funding Shortfall	2021/22	9,698	14,625	14,625	14,625	14,625
Depreciation on Asset Revaluation	2021/22	4,117	4,117	4,117	4,117	4,117
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A Poseidon Aircraft	2019/20	12,594	30,116	30,695	30,821	30,821
Generation of Defence Estate to Support Delivery of Defence Policy	2019/20	2,463	2,463	2,463	2,463	2,463
Generation of Military Enablers to Support Delivery of Defence Policy	2019/20	1,597	1,597	1,597	1,597	1,597

*Reasons for Change in Appropriation*

This appropriation increased by \$31.049 million to \$574.544 million for 2023/24 mainly due to increased funding of:

- \$17.522 million for the baseline roll out from 2022/23 to 2023/24 relating to the purchase of Boeing P-8A Poseidon aircraft, and
- \$15.735 million to support Defence Force remuneration.