

Vote Defence Force

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 over \$4,949 million for the 2024/25 financial year. The Minister of Defence is responsible for just over \$4,788 million, and the Minister for Veterans is responsible for just under \$161 million.

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force that include just under \$3,681 million for Departmental output expenses comprising of:

- just under \$1,168 million for Army, just over \$1,108 million for Air, and just over \$782 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 under \$576 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
- just over \$16 million to support the Minister of Defence in discharging their responsibilities, and
- just over \$7 million to provide for the loss on sale of physical assets.

The Minister of Defence is responsible for Non-Departmental other expenses of \$350,000 for the operation of on-base early childhood education services.

The Minister of Defence is also responsible for the capital expenditure appropriation of just under \$1,100 million, and a capital injection of just under \$86 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 \$147 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 \$14 million to support the Minister for Veterans in discharging their responsibilities, and the provision of services and payments to veterans.

Crown Revenue and Capital Receipts

Of the total output expenses, just under \$64 million is expected to be funded from third-party revenue (revenue department and revenue other) in 2024/25. The remainder of just under \$3,631 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	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) 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.	1,065,407	1,062,163	1,108,424
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) 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.	1,153,717	1,150,692	1,167,560
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) 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.	752,455	749,419	782,401
Total Departmental Output Expenses	2,971,579	2,962,274	3,058,385
Departmental Other Expenses			
Loss on Sale of Physical Assets (M22) (A27) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	-	-	7,260
Total Departmental Other Expenses	-	-	7,260
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) (A27) 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.	1,525,493	1,525,493	1,099,925
Total Departmental Capital Expenditure	1,525,493	1,525,493	1,099,925
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) (A27) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	746
Total Non-Departmental Output Expenses	746	746	746
Non-Departmental Other Expenses			
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27) 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	203
Grant Payments to Non-Government Organisations (M75) (A27) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	275	275
Impairment of Debt for Benefits or Related Expenses (M75) (A27) 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	250

Titles and Scopes of Appropriations by Appropriation Type	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Service Cost - Veterans' Entitlements (M75) (A27) 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	12,000
Support for Early Childhood Education Services Associated with Defence Bases (M22) (A27) This appropriation is limited to support for Early Childhood Education services whose ongoing operation is essential to the viability of Defence bases.	350	350	350
Support for Vietnam Veterans (M75) (A27) 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.	3,100	3,100	3,100
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	200	200
Military Veterans Kaupapa Inquiry Claimant Costs (M22) (A27) 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	-
Total Non-Departmental Other Expenses	16,628	16,628	16,378
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) (A27) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	19,690	17,532	16,035
<i>Departmental Output Expenses</i>			
<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.	3,687	3,436	3,889
<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.	13,751	11,844	10,170
<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.	2,252	2,252	1,976
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27) 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.	30,383	28,194	30,882
<i>Departmental Output Expenses</i>			
<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.	29,868	27,915	30,367
<i>Military Operations that Contribute to Regional Security</i> 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.	515	279	515

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Policy Advice And Other Services For Veterans MCA (M75) (A27)	14,938	13,767	13,949
The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.			
Departmental Output Expenses			
Administration Services	6,176	5,005	4,373
This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.			
Policy Advice	230	230	230
This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.			
Services and Payments to Veterans	8,532	8,532	9,346
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.			
Protection of New Zealand and New Zealanders MCA (M22) (A27)	565,832	562,237	575,639
The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.			
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	111,565	111,453	110,086
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	114,831	113,930	128,882
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	63,536	63,118	64,218
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	53,894	53,408	56,401
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	222,006	220,328	216,052
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.			
Total Multi-Category Expenses and Capital Expenditure	630,843	621,730	636,505
Total Annual Appropriations and Forecast Permanent Appropriations	5,145,289	5,126,871	4,819,199

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Unwind of Discount Rate - Veterans' Entitlements (M75) (A27) 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 2022/23	-
	Adjustments for 2023/24	70,000
	Adjusted Appropriation	387,000
	Actual to 2022/23 Year End	-
	Estimated Actual for 2023/24	144,000
	Estimate for 2024/25	130,000
	Estimated Appropriation Remaining	113,000

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	5,145,289	5,126,871	4,819,199
Total Forecast MYA Non-Departmental Other Expenses	144,000	144,000	130,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	5,289,289	5,270,871	4,949,199

Capital Injection Authorisations

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	749,544	749,544	85,866

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Defence Force Remuneration	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	11,003	11,003	11,003	11,003
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	16,704	16,704	16,704	16,704
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	6,928	6,928	6,928	6,928
	Advice to the Government MCA Situational Awareness Departmental Output Expense	-	408	408	408	408
	Protection of New Zealand and New Zealanders MCA Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	1,223	1,223	1,223	1,223
	Defence International Engagement	-	1,223	1,223	1,223	1,223
	Defence Support to the Community	-	815	815	815	815
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	408	408	408	408
	Resource and Border Protection Operations Departmental Output Expense	-	2,038	2,038	2,038	2,038
	Total	-	40,750	40,750	40,750	40,750
Depreciation Expense Arising from Asset Revaluation	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	9,108	9,108	9,108	9,108
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	11,384	11,384	11,384	11,384
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	5,917	5,917	5,917	5,917

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
	Protection of New Zealand and New Zealanders MCA					
	Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	902	902	902	902
	Defence International Engagement	-	646	646	646	646
	Defence Support to the Community	-	564	564	564	564
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	954	954	954	954
	Resource and Border Protection Operations Departmental Output Expense	-	2,428	2,428	2,428	2,428
	Total	-	31,903	31,903	31,903	31,903
Services to Veterans - Ensuring Effective and Timely Delivery	Policy Advice And Other Services For Veterans MCA					
	Administration Services	-	200	200	200	200
	Services and Payments to Veterans Departmental Output Expense	-	800	800	800	800
	Total	-	1,000	1,000	1,000	1,000
Homes for Families (Part Two)	Navy Capabilities Prepared for Joint Operations and Other Tasks	-	760	1,520	1,520	1,520
	Departmental Output Expense					
	Protection of New Zealand and New Zealanders MCA					
Resource and Border Protection Operations Departmental Output Expense	-	240	480	480	480	
Total	-	1,000	2,000	2,000	2,000	
Reduction in Back-office Functions - New Zealand Defence Force	Air Force Capabilities Prepared for Joint Operations and Other Tasks	-	(5,096)	(6,482)	(6,482)	(6,482)
	Departmental Output Expense					
	Army Capabilities Prepared for Joint Operations and Other Tasks	-	(6,552)	(8,332)	(8,332)	(8,332)
	Departmental Output Expense					
Navy Capabilities Prepared for Joint Operations and Other Tasks	-	(2,912)	(3,704)	(3,704)	(3,704)	
Departmental Output Expense						
Advice to the Government MCA						
Situational Awareness Departmental Output Expense	-	(182)	(232)	(232)	(232)	

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
	Protection of New Zealand and New Zealanders MCA					
	Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	(546)	(695)	(695)	(695)
	Defence International Engagement	-	(910)	(1,158)	(1,158)	(1,158)
	Defence Support to the Community	-	(546)	(695)	(695)	(695)
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	(364)	(463)	(463)	(463)
	Resource and Border Protection Operations Departmental Output Expense	-	(1,092)	(1,389)	(1,389)	(1,389)
	Service Cost - Veterans' Entitlements	-	-	-	(1,000)	(1,000)
	Non-Dept Annual Appropriation					
Total	-	(18,200)	(23,150)	(24,150)	(24,150)	
Return of Funding for Lower Value Programmes and Activities	Air Force Capabilities Prepared for Joint Operations and Other Tasks	-	(525)	(525)	(525)	(525)
	Departmental Output Expense					
	Army Capabilities Prepared for Joint Operations and Other Tasks	-	(976)	(976)	(976)	(976)
	Departmental Output Expense					
	Navy Capabilities Prepared for Joint Operations and Other Tasks	-	(310)	(310)	(310)	(310)
	Departmental Output Expense					
	Advice to the Government MCA					
	Policy Advice	-	(48)	(48)	(48)	(48)
	Supporting Ministers Departmental Output Expense	-	(72)	(72)	(72)	(72)
	Protection of New Zealand and New Zealanders MCA					
	Assistance to the Civil Power and Provision of a Public Service in Emergency Situations Departmental Output Expense	-	(72)	(72)	(72)	(72)
	Defence International Engagement	-	(167)	(167)	(167)	(167)
	Defence Support to the Community	-	(48)	(48)	(48)	(48)
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	(72)	(72)	(72)	(72)
	Resource and Border Protection Operations Departmental Output Expense	-	(95)	(95)	(95)	(95)
Total	-	(2,385)	(2,385)	(2,385)	(2,385)	
Total Initiatives		-	54,068	50,118	49,118	49,118

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	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
Appropriations												
Output Expenses	2,289,018	2,287,179	2,469,380	2,650,784	2,972,325	2,945,916	3,058,385	746	3,059,131	3,055,357	3,058,770	3,058,874
Benefits or Related Expenses	86,709	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	3,199,354	105,052	54,587	110,308	160,628	160,628	7,260	146,378	153,638	128,017	129,378	132,378
Capital Expenditure	484,392	798,596	1,183,604	1,304,130	1,525,493	1,525,493	1,099,925	-	1,099,925	770,671	454,406	425,134
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	552,640	625,456	650,240	575,697	630,843	625,349	636,505	-	636,505	635,813	636,388	636,406
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	6,612,113	3,816,283	4,357,811	4,640,919	5,289,289	5,257,386	4,802,075	147,124	4,949,199	4,589,858	4,278,942	4,252,792
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

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 2019/20 and 2024/25 are due to new funding as a result of the investment in military personnel, assets, and activities that support the delivery of the Government's strategy and policy. 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 2023/24 is due to Budget 2024 initiatives that have restored the depreciation baseline and provided remuneration for military personnel.

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. From 2025/26 to 2027/28 baseline funding levels remain flat in nominal terms. As a result, fiscally neutral adjustments are required to align appropriations to the delivery of outputs. This is reflected in performance targets which have been revised to achievable levels.

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 COVID19 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 each year, therefore expenditure from 2022/23 is higher than that seen in 2021/22.

Capital Expenditure

The capital expenditure appropriation between 2019/20 and 2027/28 reflects investment in the New Zealand Defence Force to provide assets and capabilities that support the delivery of the Government's strategy and policy. 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 2025/26 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. The expenditure profile has moved to the right as a result of foreign Military Sales (FMS) costs on the P-8A spares and C-130J aircraft, this is purely timing of payments to suppliers by the US Government and does not affect the delivery of the aircraft. Capital expenditure reduces from \$1,525 million in 2023/24 to \$425 million due to limited investment in major capabilities. Future investment may be approved to deliver the Government's future strategy and policy.

Benefits or Related Expenses

The decrease in annual Benefits or Related Expenses appropriations between 2019/20 and 2020/21 were 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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,065,407	1,062,163	1,108,424
Revenue from the Crown	1,043,921	1,043,921	1,097,846
Revenue from Others	12,378	12,378	10,578

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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)	80%	80%	70%
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for counter sea and surveillance operations (see Note 2)	55%	55%	93%
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 (see Note 3)	100%	100%	88%
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 4)	84%	84%	95%
Percentage of Government directed readiness levels achieved and maintained to provide strategic air mobility capabilities prepared for inter-theatre air transport operations (see Note 5)	75%	75%	100%

Performance will be measured against the directed performance targets (as specified in the NZDF Output Framework). Notwithstanding this, the Budget Standard will be the forecast of the NZDF's expected performance for the coming financial year. The forecast is calculated based on expected levels of performance and considers planned maintenance periods, operational deployments, training schedules, and other variables (including workforce attrition and external cost pressures) that may impact performance.

Note 1 - The expected levels of performance for this measure are reduced due to a shortage of maintenance personnel for embarked operations.

Note 2 - The expected performance levels for this measure have increased due to the introduction into service of new capabilities. As these capabilities reach full operational release, this performance level is expected to improve.

Note 3 - The expected performance levels for this measure are reduced due to the introduction into service of new capabilities. As these capabilities reach full operational release, this performance level is expected to improve.

Note 4 - The expected performance levels for this measure has increased as it is expected sufficient air crews will be available to improve performance against readiness targets in FY 2024/25.

Note 5 - The expected performance levels for this measure have increased due to less on-time maintenance being scheduled during FY 2024/25.

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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Defence Force Remuneration	2024/25	-	11,003	11,003	11,003	11,003
Depreciation Expense Arising from Asset Revaluation	2024/25	-	9,108	9,108	9,108	9,108
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	(5,096)	(6,482)	(6,482)	(6,482)
Return of Funding for Lower Value Programmes and Activities	2024/25	-	(525)	(525)	(525)	(525)
Previous Government						
Canterbury and Offshore Patrol Vessel Communications Upgrade	2023/24	1,000	1,000	1,000	1,000	1,000
Defence Force Operational Cost Pressures	2023/24	2,622	2,645	2,645	2,645	2,645
Ohakea Infrastructure Programme	2023/24	252	646	646	646	646
Defence Force Construction Cost Pressures	2022/23	1,300	-	-	-	-
Defence Force Remuneration	2022/23	32,999	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	432	432	432	432	432
Ohakea Infrastructure Project Initial Airfields Project	2022/23	583	583	583	583	583
Ohakea Infrastructure Project Programme and Design	2022/23	799	799	799	799	799
Operational and Regulatory Aviation Compliance Sustainment Project	2022/23	2,589	4,338	3,159	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	42,900	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	50	25	-	-	-
Delivering on the Strategic Defence Policy Statement 2018	2020/21	56,249	56,249	56,249	56,249	56,249
Future Air Mobility Capability	2020/21	30,401	100,725	106,462	107,532	107,532
Security Capability Programme	2020/21	1,120	1,120	1,120	1,120	1,120

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is due to:

- \$70.324 million for the Future Air Mobility Capability to fund the C-130J-30 Hercules aircraft in 2024/25 and out years, and
- \$11.003 million to support Defence Force remuneration for military personnel as approved through Budget 2024.

This is partially offset by the decreased funding of

- \$36.496 million as a result of fiscally neutral adjustments within the Vote in 2022/23 to align appropriations to the delivery of outputs, and
- \$5.621 million for Budget 2024 savings initiatives reduction in Back-office functions, and Return of Funding for Lower Value Programmes and Activities.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,153,717	1,150,692	1,167,560
Revenue from the Crown	1,123,138	1,123,138	1,148,365
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

	2023/24		2024/25
	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	0%	0%	0%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations	47%	47%	47%

Performance will be measured against the directed performance targets (as specified in the NZDF Output Framework). Notwithstanding this, the Budget Standard will be the forecast of the NZDF's expected performance for the coming financial year. The forecast is calculated based on expected levels of performance and considers planned maintenance periods, operational deployments, training schedules, and other variables (including workforce attrition and external cost pressures) that may impact performance.

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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Defence Force Remuneration	2024/25	-	16,704	16,704	16,704	16,704
Depreciation Expense Arising from Asset Revaluation	2024/25	-	11,384	11,384	11,384	11,384
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	(6,552)	(8,332)	(8,332)	(8,332)
Return of Funding for Lower Value Programmes and Activities	2024/25	-	(976)	(976)	(976)	(976)
Previous Government						
Defence Force Operational Cost Pressures	2023/24	741	747	747	747	747
Modernising the Delivery of New Zealand Defence Force Logistics	2023/24	(3,759)	(3,645)	(3,528)	(3,409)	(3,287)
Consolidated Logistics Project	2022/23	2,910	2,432	2,432	2,432	2,432
Defence Force Construction Cost Pressures	2022/23	2,500	-	-	-	-
Defence Force Remuneration	2022/23	50,946	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	432	432	432	432	432
Linton Maintenance Support Facility Build	2022/23	1,059	1,059	1,059	1,059	1,059

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Logistics Management Information System	2022/23	894	355	432	483	483
Protected Vehicle - Medium Procurement	2022/23	5,771	5,771	5,771	5,771	5,771
Defence Force Depreciation Funding Shortfall	2021/22	34,700	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	51	25	-	-	-
Delivering on the Strategic Defence Policy Statement 2018	2020/21	72,168	72,168	72,168	72,168	72,168
Enterprise Cloud and Enterprise Connectivity	2020/21	1,080	1,080	-	-	-
Security Capability Programme	2020/21	1,120	1,120	1,120	1,120	1,120

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is due to:

- \$16.704 million to support Defence Force remuneration for military personnel as approved through Budget 2024
- \$4.400 million as a result of an expense transfer from 2023/24 to 2024/25 to support the future delivery of outputs in 2024/25, and
- \$4.154 million as a result of fiscally neutral adjustments within the Vote to align appropriations to the delivery of outputs.

This is partially offset by the decreased funding of:

- \$7.528 million for Budget 2024 savings initiatives Reduction in Back-office Functions, and Return of Funding for Lower Value Programmes and Activities, and
- \$2.500 million for the time limited funding for construction inflation.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	752,455	749,419	782,401
Revenue from the Crown	733,975	733,975	773,805
Revenue from Others	12,563	12,563	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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime warfare operations (see Note 1)	93%	93%	100%
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime security operations (see Note 1)	93%	93%	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)	50%	50%	46%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift (see Note 3)	93%	93%	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 (see Note 4)	100%	100%	98%
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%

Performance will be measured against the directed performance targets (as specified in the NZDF Output Framework). Notwithstanding this, the Budget Standard will be the forecast of the NZDF's expected performance for the coming financial year. The forecast is calculated based on expected levels of performance and considers planned maintenance periods, operational deployments, training schedules, and other variables (including workforce attrition and external cost pressures) that may impact performance.

Note 1 - The expected performance levels for these measure have increased as the transition of Naval Combat Force duties from HMNZS Te Mana to HMNZS Te Kaha has been completed.

Note 2 - The expected performance levels for this measure are reduced due to reduced personnel numbers, Offshore Patrol Vessels being held in low readiness, and a planned maintenance period for an Inshore Patrol Vessel.

Note 3 - The expected performance levels for this measure have increased as a planned depot level maintenance period for HMNZS Canterbury in the first six months of Financial Year 2023/24 resulted in a reduction in readiness. Two small maintenance periods are planned for HMNZS Canterbury in Financial Year 2024/25, however they will remain within readiness requirements during these periods.

Note 4 - The expected performance levels for this measure are reduced due to a planned maintenance period for HMNZS Manawanui.

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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Frigate Communications - Phase 2	2025/26	-	-	1,519	1,921	1,921
Defence Force Remuneration	2024/25	-	6,928	6,928	6,928	6,928
Depreciation Expense Arising from Asset Revaluation	2024/25	-	5,917	5,917	5,917	5,917
Homes for Families (Part Two)	2024/25	-	760	1,520	1,520	1,520
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	(2,912)	(3,704)	(3,704)	(3,704)
Return of Funding for Lower Value Programmes and Activities	2024/25	-	(310)	(310)	(310)	(310)

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Communications Frigate Sustainment	2024/25	-	66	486	841	841
Frigate Sustainment - Phase 1	2023/24	500	500	500	500	500
Defence Force Operational Cost Pressures	2023/24	1,767	1,783	1,783	1,783	1,783
Canterbury / Offshore Patrol Vessel Communications Upgrade Project (CAN/OPV)	2023/24	1,000	1,000	1,000	1,000	1,000
Fixed High Frequency Radio Capability Refresh Project	2022/23	432	432	432	432	432
Defence Force Supply Chain Cost Pressures	2022/23	140	140	140	140	140
Defence Force Remuneration	2022/23	21,740	21,740	21,740	21,740	21,740
Defence Force Construction Cost Pressures	2022/23	800	-	-	-	-
State Sector Decarbonisation Tranche Five	2021/22	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	38,675	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	54,612	54,612	54,612	54,612	54,612

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is due to:

- \$27.075 million as a result of fiscally neutral adjustments within the Vote to align appropriations to the delivery of outputs
- \$6.928 million to support Defence Force remuneration for military personnel as approved through Budget 2024, and
- \$6.200 million as a result of an expense transfer from 2023/24 to 2024/25 to support the future delivery of outputs in 2024/25.

This is partially offset by decreased funding of:

- \$3.222 million for Budget 2024 savings initiatives Reduction in Back-office Functions, and Return of Funding for Lower Value Programmes and Activities
- \$2.717 million as a result of the sale of fuel being realised in 2023/24, and
- \$1.250 million for one-off funding in 2023/24 to support the Solomon Island elections.

2.2 - Departmental Other Expenses

Loss on Sale of Physical Assets (M22) (A27)

Scope of Appropriation

This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.

Expenses

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	7,260

What is Intended to be Achieved with this Appropriation

This appropriation intends to reflect the loss on sale of certain New Zealand Defence Force commercial properties, including those arising from Treaty of Waitangi settlements.

How Performance will be Assessed and End of Year Reporting Requirements

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure reflects the loss on sale of certain New Zealand Defence Force commercial properties	Meet	Met	Meet

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 2025 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$7.260 million for 2024/25 due to an expense transfer from 2023/24 to 2024/25 to fund any potential loss on disposal of property under treaty settlements.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,518,731	1,518,731	1,094,260
Intangibles	6,762	6,762	5,665
Other	-	-	-
Total Appropriation	1,525,493	1,525,493	1,099,925

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

	2023/24		2024/25
	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 2025 to be presented to the House.

Reasons for Change in Appropriation

This appropriation decreased by \$425.568 million to \$1,099.925 million for 2024/25 mainly due to the spending profile on major projects, including the 2022/23 introduction into service of new capability, such as the Boeing P-8A Poseidon aircraft for future air surveillance.

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

Details of Net Asset Schedule	2023/24 Estimated Actual \$000	2024/25 Projected \$000	Explanation of Projected Movements in 2024/25
Opening Balance	10,833,150	11,569,209	
Capital Injections	749,544	85,866	Capital injections are for projects to enhance and maintain the capability of the New Zealand Defence Force to deliver on the Government's strategy and policy. The capital injections in 2024/25 are for the purchase of Future Air Mobility Capability (\$33.197 million), Frigate Sustainment (\$14.623 million), the Ohakea Infrastructure Project tranche 2 fuels precinct (\$32.212 million) and the P-8A Poseidon aircraft for future air surveillance (\$5.834 million).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(13,485)	-	
Other Movements	-	-	
Closing Balance	11,569,209	11,655,075	

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.
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Expenses

	2023/24		2024/25
	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

	2023/24		2024/25
	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 2025 to be presented to the House.

Service Providers

There are approximately 183 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

	2023/24		2024/25
	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

	2023/24		2024/25
	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

	2023/24		2024/25
	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.

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

	2023/24		2024/25
	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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	-	-	(1,000)	(1,000)
Previous Government						
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

	2023/24		2024/25
	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	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,100	3,100	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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Ex-Gratia Payments to Vietnam Veterans	2022/23	-	-	(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
Unwind of Discount Rate - Veterans' Entitlements (M75) (A27) 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 2022/23	-
	Adjustments for 2023/24	70,000
	Adjusted Appropriation	387,000
	Actual to 2022/23 Year End	-
	Estimated Actual for 2023/24	144,000
	Estimate for 2024/25	130,000
	Estimated Appropriation Remaining	113,000

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.

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

	2023/24		2024/25
	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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	19,690	17,532	16,035
Departmental Output Expenses			
Policy Advice	3,687	3,436	3,889
Situational Awareness	13,751	11,844	10,170
Supporting Ministers	2,252	2,252	1,976
Funding for Departmental Output Expenses			
Revenue from the Crown	19,649	19,649	15,994
Policy Advice	3,676	3,676	3,878
Situational Awareness	13,729	13,729	10,148
Supporting Ministers	2,244	2,244	1,968
Revenue from Others	41	41	41
Policy Advice	11	11	11
Situational Awareness	22	22	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	2023/24		2024/25
	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	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Policy Advice			
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)
Situational Awareness			
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%
Supporting Ministers			
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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Defence Force Remuneration	2024/25	-	408	408	408	408
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	(182)	(232)	(232)	(232)
Return of Funding for Lower Value Programmes and Activities	2024/25	-	(120)	(120)	(120)	(120)
Previous Government						
Defence Force Remuneration	2022/23	1,237	1,237	1,237	1,237	1,237

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is due to a \$4 million fiscally neutral adjustment within the Vote in 2023/24 to align appropriations to the delivery of outputs.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,383	28,194	30,882
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	29,868	27,915	30,367
Military Operations that Contribute to Regional Security	515	279	515
Funding for Departmental Output Expenses			
Revenue from the Crown	30,074	30,074	30,573
Military Operations in Support of a Rules-Based International Order	29,604	29,604	30,103
Military Operations that Contribute to Regional Security	470	470	470
Revenue from Others	309	309	309
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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below</i>			
Contribute to United Nations Truce Supervisory Organisation (UNTSO) (Middle East) [Operation Scoria]	Meet	Met	Meet
Contribute to United Nations Mission (UNMISS) (South Sudan) [Operation Sudden]	Meet	Met	Meet
Contribute to United Nations Command (UNC) (Republic of Korea) [Operation Monitor]	Meet	Met	Meet
<i>Lead and contribute to regional contingency military operations, as listed</i>			
Contribute military forces to Operation Solomon Islands Assist (SIASST) (Solomon Islands) (see Note 1)	Meet	Met	-
<i>Contribute military forces to contingencies in the rest of the world</i>			
Contribute military forces to Multinational Forces and Observers (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 Gallant Phoenix (Middle East)	Meet	Met	Meet
Contribute to Operation Whio (United Nations Security Resolution (UNSCR) sanctions against North Korea)	Meet	Met	Meet
Contribute military forces to Operation Tieke (Ukraine)	Meet	Met	Meet
Contribute military forces to Operation Ruru (Middle East)	Meet	Met	Meet
Contribute military forces to Operation Mokomoko (Middle East) (see Note 1)	Meet	Met	-
Military Operations that Contribute to Regional Security			
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%

Note 1 - The mandate for these operations are planned to expire before the beginning of Financial Year 2024/25, as such there will be no activity to measure against and these measures will be removed. In the event the mandate gets extended, NZDF will provide an update at 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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Previous Government						
Defence Force Remuneration	2022/23	88	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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,938	13,767	13,949
Departmental Output Expenses			
Administration Services	6,176	5,005	4,373
Policy Advice	230	230	230
Services and Payments to Veterans	8,532	8,532	9,346
Funding for Departmental Output Expenses			
Revenue from the Crown	14,938	14,938	13,949
Administration Services	6,176	6,176	4,373
Policy Advice	230	230	230
Services and Payments to Veterans	8,532	8,532	9,346

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Policy Advice and Other Services for Veterans MCA			
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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Administration Services			
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.			

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<i>Provide Ministerial Servicing and Support</i>			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
<i>Provide Administration support to Boards and Panels as set out in the Veterans' Support Act 2014</i>			
Arrangements and actions meet Board/panels statutory requirements	Meet	Met	Meet
<i>Assist with the coordination of New Zealand's participation in the commemoration of significant military anniversaries</i>			
Participation will be delivered in accordance with agreed parameters and budget	Meet	Met	Meet
<i>Policy Advice</i>			
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.			
<i>Provide policy advice to support decision making by Ministers</i>			
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%
<i>Services and Payments to Veterans</i>			
<i>Applications and Reviews</i>			
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%
<i>Provide Case Management</i>			
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%
<i>Deal with Enquiries</i>			
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 2025 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Services to Veterans - Ensuring Effective and Timely Delivery	2024/25	-	1,000	1,000	1,000	1,000
Previous Government						
Veterans' Mental and Physical Health and Wellbeing	2023/24	250	250	250	250	250
Defence Force Remuneration	2022/23	1,187	1,187	1,187	1,187	1,187
Veterans Health Connect	2020/21	200	200	200	200	200

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	565,832	562,237	575,639
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	111,565	111,453	110,086
Defence International Engagement	114,831	113,930	128,882
Defence Support to the Community	63,536	63,118	64,218
Military Assistance to Civil Authorities in Non-Emergency Situations	53,894	53,408	56,401
Resource and Border Protection Operations	222,006	220,328	216,052
Funding for Departmental Output Expenses			
Revenue from the Crown	534,063	534,063	550,464
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	109,063	109,063	108,486
Defence International Engagement	105,214	105,214	121,011
Defence Support to the Community	51,258	51,258	52,504
Military Assistance to Civil Authorities in Non-Emergency Situations	51,922	51,922	55,383
Resource and Border Protection Operations	216,606	216,606	213,080
Revenue from Others	26,275	26,275	25,175
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	1,600	1,600
Defence International Engagement	8,971	8,971	7,871
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

	2023/24		2024/25
	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	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations			
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%
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%

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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%
Defence International Engagement			
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	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Defence Support to the Community			
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%
Military Assistance to Civil Authorities in Non-Emergency Situations			
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	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Resource and Border Protection Operations			
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%

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 2025 to be presented in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Defence Force Remuneration	2024/25	-	5,707	5,707	5,707	5,707
Depreciation Expense Arising from Asset Revaluation	2024/25	-	5,494	5,494	5,494	5,494
Homes for Families (Part Two)	2024/25	-	240	480	480	480
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	-	(3,458)	(4,400)	(4,400)	(4,400)
Return of Funding for Lower Value Programmes and Activities	2024/25	-	(454)	(454)	(454)	(454)
Previous Government						
Defence Force Operational Cost Pressures	2023/24	570	575	575	575	575
Assistance for Ukraine ICC Secondment	2022/23	400	-	-	-	-
Defence Force Construction Cost Pressures	2022/23	400	-	-	-	-
Defence Force Remuneration	2022/23	19,203	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	14,625	14,625	14,625	14,625	14,625
Depreciation on Asset Revaluation	2021/22	4,117	4,117	4,117	4,117	4,117