

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 \$5,491 million for the 2026/27 financial year. The Minister of Defence is responsible for just over \$5,250 million, and the Minister for Veterans is responsible for just under \$241 million.

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force that include just under \$4,188 million for Departmental output expenses comprising:

- just under \$3,480 million for Defence Force Capabilities to ensure that military capabilities achieve the levels of capability and preparedness necessary to meet directives of the Government of New Zealand. Most of these forces will also contribute to a range of services to other government departments and the New Zealand community when not committed to operations overseas
- just over \$621 million to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts
- just under \$59 million for the employment of New Zealand's Armed Forces overseas, and to enable the provision of military capabilities overseas, and
- just over \$28 million to support the Minister of Defence in discharging their responsibilities.

The Minister of Defence is responsible for Non-Departmental other expenses of \$350,000 for the operation of on-base early childhood education services, and \$12,000 to fund costs associated with the Wai 2500 Military Veterans Kaupapa Inquiry.

The Minister of Defence is also responsible for the capital expenditure appropriation of just under \$1,062 million, and a capital injection of just under \$423 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 over \$220 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
- just under \$21 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 \$67 million is expected to be funded from third-party revenue (revenue department and revenue other) in 2026/27. The remainder of just over \$4,142 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	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
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	7,260	-
Total Departmental Other Expenses	7,260	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.	892,748	892,748	1,061,813
Total Departmental Capital Expenditure	892,748	892,748	1,061,813
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
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.	118	118	12
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	72,406
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

Titles and Scopes of Appropriations by Appropriation Type	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
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.	3,099	3,099	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
Total Non-Departmental Other Expenses	16,495	16,495	76,796
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.	17,653	17,653	28,302
<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.	3,734	3,734	4,973
<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.	11,243	11,243	20,834
<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.	2,676	2,676	2,495
Defence Force Capabilities Prepared for Joint Operations and Other Tasks MCA (M22) (A27) The single overarching purpose of this appropriation is to generate Defence Force capabilities as directed by the Government of New Zealand.	3,254,975	3,254,975	3,479,704
<i>Departmental Output Expenses</i>			
<i>Air Force Capabilities Prepared for Joint Operations and Others Tasks</i> This category 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.	1,204,764	1,204,764	1,247,740
<i>Army Capabilities Prepared for Joint Operations and Others Tasks</i> This category 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.	1,256,908	1,256,908	1,326,370
<i>Navy Capabilities Prepared for Joint Operations and Others Tasks</i> This category 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.	793,303	793,303	905,594
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.	60,898	60,898	58,554
<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.	59,074	59,074	57,517

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
<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.	1,824	1,824	1,037
Policy Advice And Other Services For Veterans MCA (M75) (A27) 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.	18,764	18,764	20,798
<i>Departmental Output Expenses</i>			
<i>Administration Services</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, 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.	5,970	5,970	9,704
<i>Policy Advice</i> 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.	391	391	231
<i>Services and Payments to Veterans</i> 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.	12,403	12,403	10,863
Protection of New Zealand and New Zealanders MCA (M22) (A27) The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	639,440	639,440	621,438
<i>Departmental Output Expenses</i>			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i> This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.	123,585	123,585	117,490
<i>Defence International Engagement</i> This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.	133,754	133,754	148,076
<i>Defence Support to the Community</i> This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.	70,555	70,555	67,368
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i> This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.	64,413	64,413	60,324
<i>Resource and Border Protection Operations</i> This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.	247,133	247,133	228,180
Total Multi-Category Expenses and Capital Expenditure	3,991,730	3,991,730	4,208,796
Total Annual Appropriations and Forecast Permanent Appropriations	4,908,979	4,908,979	5,348,151

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$'000
Departmental Output Expenses		
Response to the sinking of the HMNZS Manawanui (M22) (A27) This appropriation is limited to costs incurred for the clean-up, salvage, and other remedial activities arising due to the sinking of the HMNZS Manawanui. Commences: 01 April 2025 Expires: 30 June 2028	Original Appropriation	32,060
	Adjustments to 2024/25	-
	Adjustments for 2025/26	10,000
	Adjusted Appropriation	42,060
	Actual to 2024/25 Year End	17,088
	Estimated Actual for 2025/26	24,972
	Estimate for 2026/27	-
	Estimated Appropriation Remaining	-
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 2024/25	113,000
	Adjustments for 2025/26	(2,000)
	Adjusted Appropriation	428,000
	Actual to 2024/25 Year End	298,000
	Estimated Actual for 2025/26	130,000
	Estimate for 2026/27	-
	Estimated Appropriation Remaining	-
Unwind of Discount Rate - Veterans' Entitlements 2026-2031 (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 2026 Expires: 30 June 2031	Original Appropriation	857,000
	Adjustments to 2024/25	-
	Adjustments for 2025/26	-
	Adjusted Appropriation	857,000
	Actual to 2024/25 Year End	-
	Estimated Actual for 2025/26	-
	Estimate for 2026/27	143,000
	Estimated Appropriation Remaining	714,000

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	4,908,979	4,908,979	5,348,151
Total Forecast MYA Departmental Output Expenses	24,972	24,972	-
Total Forecast MYA Non-Departmental Other Expenses	130,000	130,000	143,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	5,063,951	5,063,951	5,491,151

Capital Injection Authorisations

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	248,739	248,739	422,612

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Defence Capability Plan - Cost Increases	Advice to the Government (MCA) Situational Awareness Departmental Output Expense	-	4,000	4,000	4,000	4,000
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	9,600	9,600	9,600	9,600
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	14,000	14,000	14,000	14,000
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	11,500	11,500	11,500	11,500
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	800	800	800	800
	Defence International Engagement	-	1,000	1,000	1,000	1,000
	Defence Support to the Community	-	900	900	900	900
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	900	900	900	900
	Resource and Border Protection Operations Departmental Output Expense	-	800	800	800	800
	Total	-	43,500	43,500	43,500	43,500
	Defence Capability Plan - Defence Technology Accelerator	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	914	999	1,062
Army Capabilities Prepared for Joint Operations and Others Tasks		-	914	999	1,062	1,062
Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense		-	914	999	1,062	1,062

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
	Protection of New Zealand and New Zealanders (MCA) Defence Support to the Community Departmental Output Expense	-	913	1,000	1,062	1,062
	New Zealand Defence Force - Capital Injection Capital Injection	-	1,530	-	-	-
	Total		5,185	3,997	4,248	4,248
Defence Capability Plan - Digital Modernisation Preparation	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	3,300	-	-	-
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	3,400	-	-	-
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	3,300	-	-	-
	Total	-	10,000	-	-	-
Defence Capability Plan - Intelligence Advantage Need to Invest	Advice to the Government (MCA) Policy Advice Departmental Output Expense	-	89	106	106	106
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	397	463	463	463
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	58	66	66	66
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	18	21	21	21
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	17	20	20	20
	Defence International Engagement	-	35	41	41	41
	Resource and Border Protection Operations Departmental Output Expense	-	24	28	28	28
	Total	-	638	745	745	745

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Defence Capability Plan - Maritime Fleet Renewal Transformation and Programme Costs	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	4,136	9,140	14,818	11,906
Defence Capability Plan - Maritime Platform Restoration Activities - ANZAC Frigates and Canterbury	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	960	6,636	30,557	33,326
	New Zealand Defence Force - Capital Injection Capital Injection	-	76,777	44,838	20,992	-
	Total	-	77,737	51,474	51,549	33,326
Defence Capability Plan - Modernised Army Training Capability Programme Design Stage	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Army Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	95	477	859	1,145
	New Zealand Defence Force - Capital Injection Capital Injection	-	7,633	7,633	7,634	-
	Total	-	7,728	8,110	8,493	1,145
Defence Capability Plan - Small Scale Capability Projects	Advice to the Government (MCA) Situational Awareness Departmental Output Expense	-	55	55	55	55
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	298	833	833	833
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	1,067	4,552	6,481	6,481
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	197	374	374	374
	Operations Contributing to New Zealand's Security, Stability and Interests (MCA) Military Operations in Support of a Rules Based International Order Departmental Output Expense	-	28	55	55	55
	Policy Advice And Other Services For Veterans (MCA) Administration Services Departmental Output Expense	-	5,700	360	360	360

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	106	178	178	178
	Defence International Engagement	-	99	173	173	173
	Defence Support to the Community	-	61	106	106	106
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	66	102	102	102
	Resource and Border Protection Operations Departmental Output Expense	-	195	339	339	339
	Total	-	7,872	7,127	9,056	9,056
Defence Capability Plan - Workforce Recovery	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	750	750	750	750
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	2,750	2,750	2,750	2,750
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	1,500	1,500	1,500	1,500
	Total	-	5,000	5,000	5,000	5,000
Defence Capability Plan - Building Resilience and Capacity to Strengthen National Security and Innovation	Advice to the Government (MCA) Policy Advice	-	-	1	1	1
	Situational Awareness Departmental Output Expense	-	-	2	2	2
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	260	340	340	340
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	546	560	560	560
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	260	190	190	190
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	60	40	40	40
	Defence International Engagement	-	40	30	30	30
	Defence Support to the Community	-	40	30	30	30

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	20	20	20	20
	Resource and Border Protection Operations Departmental Output Expense	-	110	80	80	80
	Total	-	1,336	1,293	1,293	1,293
Defence Force Remuneration	Advice to the Government (MCA) Policy Advice	-	98	98	98	98
	Situational Awareness	-	145	145	145	145
	Supporting Ministers Departmental Output Expense	-	38	38	38	38
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	7,509	7,509	7,509	7,509
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	11,707	11,707	11,707	11,707
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	5,366	5,366	5,366	5,366
	Operations Contributing to New Zealand's Security, Stability and Interests (MCA) Military Operations in Support of a Rules Based International Order	-	377	377	377	377
	Military Operations that Contribute to Regional Security Departmental Output Expense	-	2	2	2	2
	Policy Advice And Other Services For Veterans (MCA) Administration Services Departmental Output Expense	-	196	196	196	196
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	830	830	830	830
	Defence International Engagement	-	1,312	1,312	1,312	1,312
	Defence Support to the Community	-	695	695	695	695
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	222	222	222	222
	Resource and Border Protection Operations Departmental Output Expense	-	1,503	1,503	1,503	1,503
	Total	-	30,000	30,000	30,000	30,000

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000	
Depreciation Expense Arising from Asset Revaluations	Advice to the Government (MCA) Situational Awareness Departmental Output Expense	-	17	17	17	17	
	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	13,208	13,208	13,208	13,208	
	Army Capabilities Prepared for Joint Operations and Others Tasks	-	7,769	7,769	7,769	7,769	
	Navy Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	12,038	12,038	12,038	12,038	
	Policy Advice And Other Services For Veterans (MCA) Administration Services Departmental Output Expense	-	17	17	17	17	
	Protection of New Zealand and New Zealanders (MCA) Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	458	458	458	458	
	Defence International Engagement	-	111	111	111	111	
	Defence Support to the Community	-	136	136	136	136	
	Military Assistance to Civil Authorities in Non-Emergency Situations	-	160	160	160	160	
	Resource and Border Protection Operations Departmental Output Expense	-	986	986	986	986	
	Total	-	34,900	34,900	34,900	34,900	
	Defence Capability Plan - Homes for Families Tranche 1 Part 4	Defence Force Capabilities Prepared for Joint Operations and Other Tasks (MCA) Air Force Capabilities Prepared for Joint Operations and Others Tasks	-	81	-	-	-
		Army Capabilities Prepared for Joint Operations and Others Tasks Departmental Output Expense	-	326	-	-	-
New Zealand Defence Force - Capital Injection Capital Injection		-	3,450	-	-	-	
Total		-	3,857	-	-	-	

Policy Initiative	Appropriation	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Defence Capability Plan - Mission Command Training Facility	New Zealand Defence Force - Capital Injection Capital Injection	-	1,300	-	-	-
Veterans' Affairs Cost Pressure	Policy Advice And Other Services For Veterans (MCA) Services and Payments to Veterans Departmental Output Expense	-	1,500	1,500	1,500	1,500
Veterans' Entitlements Arising from Retrospective Declarations of Qualifying Operational Service	Service Cost - Veterans' Entitlements Non-Departmental Other Expense	-	61,406	-	-	-
Total Initiatives		-	296,095	196,786	205,102	176,619

1.2 - Trends in the Vote

Summary of Financial Activity

	2021/22	2022/23	2023/24	2024/25	2025/26		2026/27			2027/28	2028/29	2029/30
	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	4,780	741	738	17,834	25,718	25,718	-	746	746	746	746	746
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	54,587	110,308	154,377	1,619,306	153,755	153,755	-	219,796	219,796	176,378	192,378	391,378
Capital Expenditure	1,183,604	1,304,130	1,335,883	1,010,091	892,748	892,748	1,061,813	-	1,061,813	1,275,248	846,506	524,810
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	3,114,840	3,225,740	3,571,544	3,776,402	3,991,730	3,991,730	4,208,796	-	4,208,796	4,219,330	4,304,330	4,310,939
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	4,357,811	4,640,919	5,062,542	6,423,633	5,063,951	5,063,951	5,270,609	220,542	5,491,151	5,671,702	5,343,960	5,227,873
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 increase in annual output expenses in 2024/25 and 2025/26 is a result of response activities associated with the sinking of the HMNZS MANAWANUI.

Multi-Category Expenses and Capital Expenditure

Increases in multi-category expenses between 2021/22 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. Increases from 2023/24 onwards are due to the acquisition of the Boeing P-8A Poseidon and Lockheed Martin C-130J Hercules aircrafts, to assist in ongoing resource and border protection, transport and surveillance.

The increases from 2025/26 onwards are mainly due to Budget 2025 and Budget 2026 initiatives to support the Defence Capability Plan. There is also an increase for the Remuneration Cost Pressure and the increased Depreciation Expense Arising from Asset Revaluations as at 30 June 2025.

Other Expenses

Other Expenses reflect movements consistent with external actuarial forecasts modelling the discount rate applied to the Veterans' Entitlements Liability. A one-off increase from 2023/24 to 2024/25 of \$1,465 million is mainly as a result of the fiscal impact of a legal decision made by the Veterans' Entitlements Appeals Board in 2024/25. The Board's decision changed how the Veterans' Support Act 2014 is to be interpreted. Another one-off increase from 2025/26 to 2026/27 of \$66.041 million reflects additional funding received through Budget 2026. The increase observed from 2028/29 to 2029/30 of \$199 million is mainly due to the allocation of 2030/31 forecast expenditure being included within 2029/30. This is due to this expenditure being funded through a multi-year appropriation ending in 2030/31.

Capital Expenditure

The capital expenditure appropriation between 2021/22 and 2027/28 reflects the agreed level of investment in the New Zealand Defence Force as a result of the Defence White Paper 2016, the Strategic Defence Policy Statement 2018, the Future Force Design Principles 2023, and the Defence Capability Plan Review 2025. 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 2021/22 and 2026/27 are primarily a result of funding being approved for the acquisition of the Boeing P-8A Poseidon aircraft for future air surveillance, Lockheed Martin C-130J Hercules for future air mobility, maritime platform restoration activities for ANZAC Frigates and the HMNZS Canterbury, and the NZDF Waiouru Housing Programme.

Capital expenditure reduces from \$1,275 million in 2027/28 to \$847 million in 2028/29. The Defence Capability Plan 2025 proposes an increase to future investment to deliver the Government's strategy and policy as business cases are presented to Government. Capital Expenditure will increase as the Government approves investments such as the Maritime Helicopter Replacement.

Part 2 - Details of Departmental Appropriations

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	856,250	856,250	1,038,936
Intangibles	36,498	36,498	22,877
Other	-	-	-
Total Appropriation	892,748	892,748	1,061,813

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

	2025/26		2026/27
	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 2027 to be presented to the House.

Reasons for Change in Appropriation

The increase in this appropriation of \$169.065 million to \$1,061.813 million for 2026/27 is mainly due to the investment in major projects being delivered. This includes the Maritime Platform Restoration activities - ANZAC Frigates and HMNZS Canterbury (\$76.777 million), Future Air Mobility Capability (\$64.438 million) and the NZDF Waiouru Housing Programme (\$59.281 million). This has been offset by a reduction following the introduction of completed infrastructure projects, such as the Ohakea Fuels Precinct (\$27.238 million in 2025/26).

Capital Injections and Movements in Departmental Net Assets

New Zealand Defence Force

Details of Net Asset Schedule	2025/26 Estimated Actual \$000	2026/27 Projected \$000	Explanation of Projected Movements in 2026/27
Opening Balance	12,024,580	12,297,364	
Capital Injections	248,739	422,612	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 for 2026/27 are for the Maritime Platform Restoration activities - ANZAC Frigates and HMNZS Canterbury (\$76.777 million), Future Air Mobility Capability (\$64.438 million), the NZDF Waiouru Housing Programme (\$59.281 million), Network Enabled Army Programme (\$58.760 million), Upgrade of the Regional Supply Facility and Logistics Model for Burnham military camp (\$48.277 million), Utility Vehicle Replacement (\$25.615 million), Consolidated Logistics Project - Linton Regional Supply Facility (\$21.859 million), Navigation and Encrypted Radios Upgrade for the NH90 Medium Helicopter Fleet (\$15.518 million), Bushmaster Communications Project (\$13.070 million), Future Naval Base Programme (\$9.869 million), Modernised Army Training Capability Programme (\$7.633 million), Other Projects (\$7.802 million), Cyber Security and Support Capability (\$4.753 million), High Side Capability Update (\$4.210 million), Homes For Families Tranche 1 (\$3.450 million) and Mission Command Training Facility (\$1.300 million).
Capital Withdrawals	(9,439)	-	
Surplus to be Retained (Deficit Incurred)	(9,290)	-	
Other Movements	42,774	-	
Closing Balance	12,297,364	12,719,976	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

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

Scope of Appropriation

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

Expenses

	2025/26		2026/27
	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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The annual maintenance and development works plan outcomes are achieved	95%	95%	95%
Services cemeteries will be maintained in accordance with the Standard of Care agreements			
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 2027 to be presented to the House.

Service Providers

There are approximately 182 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

	2025/26		2026/27
	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 s15D(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

	2025/26		2026/27
	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

	2025/26		2026/27
	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 s15D(2)(b)(ii) of the PFA, as additional performance information is unlikely to be informative because this appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.

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

Scope of Appropriation

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

Expenses

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	118	118	12

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

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

Reasons for Change in Appropriation

This appropriation decreased by \$106,000 to \$12,000 due to the phasing of the hearings schedule, and the NZDF's approach to funding related expenditure as the timing and expected cost associated with these hearings become evident.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	12,000	12,000	72,406

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 s15D(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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Veterans' Entitlements Arising from Retrospective Declarations of Qualifying Operational Service	2026/27	-	61,406	-	-	-
Reduction in Back-office Functions - New Zealand Defence Force	2026/27	-	(1,000)	(1,000)	(1,000)	(1,000)
Previous Government						
Veterans' Entitlements Service Cost Baseline Reduction	2022/23	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is due to an increase in Veterans' entitlements arising from retrospective declarations of Qualifying Operational Service.

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

	2025/26		2026/27
	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	2025/26 Final Budgeted \$000	2025/26 Estimated Actual \$000	2026/27 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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,099	3,099	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	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Previous Government						
Ex-Gratia Payments to Vietnam Veterans	2022/23	(2,000)	-	-	-	-

Unwind of Discount Rate - Veterans' Entitlements 2026-2031 (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 2026-2031 (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 2026 Expires: 30 June 2031	Original Appropriation	857,000
	Adjustments to 2024/25	-
	Adjustments for 2025/26	-
	Adjusted Appropriation	857,000
	Actual to 2024/25 Year End	-
	Estimated Actual for 2025/26	-
	Estimate for 2026/27	143,000
	Estimated Appropriation Remaining	714,000

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 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 under s15D(2)(B)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Reasons for Change in Appropriation

This is a new appropriation established in 2026/27.

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

	2025/26		2026/27
	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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	17,653	17,653	28,302
Departmental Output Expenses			
Policy Advice	3,734	3,734	4,973
Situational Awareness	11,243	11,243	20,834
Supporting Ministers	2,676	2,676	2,495
Funding for Departmental Output Expenses			
Revenue from the Crown	17,612	17,612	28,261
Policy Advice	3,723	3,723	4,962
Situational Awareness	11,221	11,221	20,812
Supporting Ministers	2,668	2,668	2,487
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	2025/26		2026/27
	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	2025/26		2026/27
	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 2027 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Defence Capability Plan - Cost Increases	2026/27	-	4,000	4,000	4,000	4,000
Defence Force Remuneration	2026/27	-	281	281	281	281
Depreciation Expense Arising from Asset Revaluations	2026/27	-	17	17	17	17
Defence Capability Plan - Small Scale Capability Projects	2026/27	-	55	55	55	55
Defence Capability Plan: Building Resilience and Capacity to Strengthen National Security and Innovation	2026/27	-	-	3	3	3
Defence Capability Plan - Intelligence Advantage Need to Invest	2026/27	-	89	106	106	106
Information Management Programme - Initial Drawdown for Commencement of Tranche One	2025/26	1,060	2,141	362	362	362
Tagged Contingency: Modernising Devices and Productivity Tools	2025/26	331	336	317	346	293
Civilian Workforce Savings	2025/26	(313)	(313)	(313)	(313)	(313)
Remuneration - Civilian Personnel	2025/26	87	87	87	87	87
People and Organisation Support Cost Pressure	2025/26	1,600	1,600	1,600	1,600	1,600
Partner Interoperability and Commitments Cost Pressure	2025/26	270	270	270	270	270
Information Capability Cost Pressure	2025/26	750	750	750	750	750
Defence Capability Plan - Increasing NZDF Engagement With Our Security Partners	2025/26	20	20	20	20	20
Critical Estate Sustainment Cost Pressure	2025/26	1,300	1,300	1,300	1,300	1,300
Defence Force Remuneration	2024/25	408	408	408	408	408
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	(232)	(232)	(232)	(232)	(232)
Return of Funding for Lower Value Programmes and Activities	2024/25	(120)	(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 increase in this appropriation for 2026/27 is mainly due to the Budget 2026 Cost Increases initiative (\$4 million), the Information Management Programme (\$2.141 million), and a fiscally neutral adjustment within the Vote to align funding to the Delivery of Outputs (\$4 million).

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

Overarching Purpose Statement

The single overarching purpose of this appropriation is to generate Defence Force capabilities as directed by the Government of New Zealand.

Scope of Appropriation

Departmental Output Expenses

Air Force Capabilities Prepared for Joint Operations and Others Tasks

This category 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.

Army Capabilities Prepared for Joint Operations and Others Tasks

This category 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.

Navy Capabilities Prepared for Joint Operations and Others Tasks

This category 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, Revenue and Capital Expenditure

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	3,254,975	3,254,975	3,479,704
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Others Tasks	1,204,764	1,204,764	1,247,740
Army Capabilities Prepared for Joint Operations and Others Tasks	1,256,908	1,256,908	1,326,370
Navy Capabilities Prepared for Joint Operations and Others Tasks	793,303	793,303	905,594
Funding for Departmental Output Expenses			
Revenue from the Crown	3,211,814	3,211,814	3,438,077
Air Force Capabilities Prepared for Joint Operations and Others Tasks	1,191,248	1,191,248	1,234,224
Army Capabilities Prepared for Joint Operations and Others Tasks	1,236,009	1,236,009	1,307,005
Navy Capabilities Prepared for Joint Operations and Others Tasks	784,557	784,557	896,848
Revenue from Others	43,161	43,161	41,627
Air Force Capabilities Prepared for Joint Operations and Others Tasks	13,516	13,516	13,516
Army Capabilities Prepared for Joint Operations and Others Tasks	20,899	20,899	19,365
Navy Capabilities Prepared for Joint Operations and Others Tasks	8,746	8,746	8,746

What is Intended to be Achieved with this Appropriation

Air Force Capabilities Prepared for Joint Operations and Others Tasks

This category 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.

Army Capabilities Prepared for Joint Operations and Others Tasks

This category 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.

Navy Capabilities Prepared for Joint Operations and Others Tasks

This category 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 for this Appropriation

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Defence Force Capabilities Prepared for Joint Operations and Other Tasks MCA			
Delivery of activity supports government directed readiness levels as outlined 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	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Others Tasks			
This category is intended to achieve Government directed readiness levels for Air Force capabilities.			
Percentage of Government directed readiness levels achieved and maintained to provide naval aviation capabilities prepared for maritime warfare and security operations (see Note 1)	80%	80%	80%
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)	50%	50%	96%
Percentage of Government directed readiness levels achieved and maintained to provide fixed wing theatre air mobility capabilities for intra-theatre air transport and manoeuvre operations	96%	96%	100%
Percentage of Government directed readiness levels achieved and maintained to provide tactical air mobility capabilities prepared for tactical air transport and air manoeuvre operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide strategic air mobility capabilities prepared for inter-theatre air transport operations (see Note 3)	75%	75%	81%

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness achieved and maintained to deliver Space Domain Awareness operations in coordination with security partners to find, fix, track and assess threats in the Space domain to protect critical space infrastructure the NZDF and partners rely on for operational effectiveness and national strategic interests	100%	100%	100%
Percentage of Government directed readiness achieved and maintained to deliver Space Domain Awareness and subject matter expert advice to the NZDF and other government agencies to support deployed operations and responses to regional crisis in space	100%	100%	100%
Army Capabilities Prepared for Joint Operations and Others Tasks			
This category is intended to achieve Government directed readiness levels for Army capabilities.			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for global complex warfighting operations (see Note 4)	45%	45%	71%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations (see Note 5)	79%	79%	85%
Navy Capabilities Prepared for Joint Operations and Others Tasks			
This category is intended to achieve Government directed readiness levels for Navy capabilities.			
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime warfare operations	96%	96%	100%
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime security operations	100%	100%	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 6)	57%	57%	75%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift	100%	100%	95%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for logistics over-the-shore (see Note 7)	100%	100%	86%
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 8)	85%	85%	100%
Percentage of Government directed readiness levels achieved and maintained to provide maritime trade operations capabilities prepared for naval guidance and supervision of shipping	100%	100%	100%

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) that may impact performance.

Note 1 - The expected performance level for this measure have been reduced due to scheduled maintenance periods and platform availability in financial year 2026/27.

Note 2 - The expected performance level for this measure are associated with the introduction into service of platforms. Performance is expected to increase as the platform meets full operational release requirements.

Note 3 - The expected performance level for this measure have been reduced due to scheduled maintenance periods and platform availability in financial year 2026/27.

Note 4 - The expected performance level for this measure have increased due to the increased opportunities to conduct individual and collective training and increased availability of equipment in financial year 2026/27.

Note 5 - The expected performance level for this measure have increased due to the increased opportunities to conduct individual and collective training and increased availability of equipment in financial year 2026/27.

Note 6 - The reduction in expected performance level from performance target for this measure is a result of ice capability remaining unavailable during financial year 2026/27.

Note 7 - The reduction expected performance level from performance target for this measure is due to scheduled maintenance period in financial year 2026/27.

Note 8 - The increase in expected performance level from performance target for this measure is a result of the removal of a sub measure relating to platform availability as this capability is not platform dependent.

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 2027 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Defence Capability Plan - Maritime Platform Restoration Activities-ANZAC Frigates & Canterbury	2026/27	-	960	6,636	30,557	33,326
Defence Capability Plan - Defence Technology Accelerator	2026/27	-	2,742	2,997	3,186	3,186
Defence Capability Plan - Cost Increases	2026/27	-	35,100	35,100	35,100	35,100
Defence Capability Plan - Workforce Recovery	2026/27	-	5,000	5,000	5,000	5,000
Defence Force Remuneration	2026/27	-	24,582	24,582	24,582	24,582

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Depreciation Expense Arising from Asset Revaluations	2026/27		33,015	33,015	33,015	33,015
Defence Capability Plan - Small Scale Capability Projects	2026/27	-	1,562	5,759	7,688	7,688
Defence Capability Plan: Building Resilience and Capacity to Strengthen National Security and Innovation	2026/27	-	1,066	1,090	1,090	1,090
Defence Capability Plan - Intelligence Advantage Need to Invest	2026/27	-	473	550	550	550
Defence Capability Plan - Maritime Fleet Renewal Transformation and Programme Costs	2026/27	-	4,136	9,140	14,818	11,906
Defence Capability Plan - Modernised Army Training Capability Programme Design Stage	2026/27	-	95	477	859	1,145
Defence Capability Plan - Digital Modernisation Preparation	2026/27	-	10,000	-	-	-
Defence Capability Plan - Homes for Families Tranche 1 Part 4	2026/27	-	407	-	-	-
Information Management Programme - Initial Drawdown for Commencement of Tranche One	2025/26	1,101	2,226	375	375	375
Tagged Contingency: Modernising Devices and Productivity Tools	2025/26	8,378	8,502	8,026	8,754	7,390
Tagged Contingency: Defence Force: Cyber Security and Support Capability - Tranche One Implementation Business Case	2025/26	2,735	10,387	11,852	12,421	12,187
Tagged Contingency: Future Enterprise Resource Planning Programme: Programme Implementation Business Case: Prepare Phase	2025/26	9,479	19,869	4,788	-	-
New Zealand Support for Prioritised Ukraine Requirements List (PURL)	2025/26	(10,000)	-	-	-	-
Response to the Sinking of the HMNZS Manawanui	2025/26	(10,000)	-	-	-	-
Civilian Workforce Savings	2025/26	(24,057)	(24,057)	(24,057)	(24,057)	(24,057)
Remuneration - Military Allowances	2025/26	25,253	25,253	25,253	25,253	25,253
Remuneration - Civilian Personnel	2025/26	6,671	6,671	6,671	6,671	6,671
People and Organisation Support Cost Pressure	2025/26	4,800	4,800	4,800	4,800	4,800
Partner Interoperability and Commitments Cost Pressure	2025/26	1,620	1,620	1,620	1,620	1,620
Maritime Capability Cost Pressure	2025/26	39,000	39,000	39,000	39,000	39,000
Land Capability Cost Pressure	2025/26	51,000	51,000	51,000	51,000	51,000
Information Capability Cost Pressure	2025/26	13,500	13,500	13,500	13,500	13,500
Defence Capability Plan - Operationalising the NZDF Workforce Strategy - Phase 1	2025/26	7,339	6,804	4,045	3,325	3,325
Defence Capability Plan - Operating Funding To Support Ten Small Scale Defence Projects	2025/26	1,249	7,659	8,325	8,325	8,325
Defence Capability Plan - Increasing NZDF Engagement With Our Security Partners	2025/26	80	80	80	80	80
Defence Capability Plan - Homes for Families (Part 3)	2025/26	2,266	4,889	4,654	4,649	4,649

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Defence Capability Plan - Future Naval Base Programme, Tranche 1a, Design and Enabling Works	2025/26	560	1,040	1,330	1,370	1,370
Critical Estate Sustainment Cost Pressure	2025/26	23,400	23,400	23,400	23,400	23,400
Air Capability Cost Pressure	2025/26	60,000	60,000	60,000	60,000	60,000
Defence Force Remuneration	2024/25	34,635	34,635	34,635	34,635	34,635
Depreciation Expense Arising from Asset Revaluation	2024/25	26,409	26,409	26,409	26,409	26,409
Homes for Families (Part Two)	2024/25	1,520	1,520	1,520	1,520	1,520
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	(18,518)	(18,518)	(18,518)	(18,518)	(18,518)
Return of Funding for Lower Value Programmes and Activities	2024/25	(1,811)	(1,811)	(1,811)	(1,811)	(1,811)
Previous Government						
Frigate Communications - Phase 2	2025/26	1,519	1,921	1,921	1,921	1,921
Communications Frigate Sustainment	2024/25	486	841	841	841	841
Canterbury and Offshore Patrol Vessel Communications Upgrade	2023/24	1,000	1,000	1,000	1,000	1,000
Canterbury/Offshore Patrol Vessel Communications Upgrade Project (CAN/OPV)	2023/24	1,000	1,000	1,000	1,000	1,000
Defence Force Operational Cost Pressures	2023/24	5,175	5,175	5,175	5,175	5,175
Frigate Sustainment - Phase 1	2023/24	500	500	500	500	500
Modernising the Delivery of New Zealand Defence Force Logistics	2023/24	(3,528)	(3,409)	(3,287)	(3,162)	(3,162)
Ohakea Infrastructure Programme	2023/24	646	646	646	646	646
Consolidated Logistics Project	2022/23	2,432	2,432	2,432	2,432	2,432
Defence Force Remuneration	2022/23	105,685	105,685	105,685	105,685	105,685
Defence Force Supply Chain Cost Pressures	2022/23	1,274	1,274	1,274	1,274	1,274
Fixed High Frequency Radio Capability Refresh Project	2022/23	1,296	1,296	1,296	1,296	1,296
Linton Maintenance Support Facility Build	2022/23	1,059	1,059	1,059	1,059	1,059
Logistics Management Information System	2022/23	432	483	483	483	483
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	3,159	3,159	3,159	3,159	3,159
Protected Vehicle - Medium Procurement	2022/23	5,771	5,771	5,771	5,771	5,771

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is mainly due to:

- \$41.251 million as a result of a fiscally neutral adjustment within the Vote in 2026/27 to align appropriations to the delivery of outputs
- \$35.100 million due to the Budget 2026 Cost Increases initiative
- \$33.015 million to fund the increase to depreciation expenditure arising from asset revaluations as at 30 June 2025
- \$25.362 million approved for draw down from tagged contingencies, which mainly includes the Future Enterprise Resource Planning Programme (\$10.390 million) and the Defence Force: Cyber Security and Support Capability - Tranche One Implementation Business Case (\$7.652 million)
- \$24.582 million for Defence Force Remuneration cost pressure as approved through Budget 2026
- \$21.441 million to support the Budget 2026 Defence Capability Plan initiatives, and
- \$5 million for Workforce Recovery.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	60,898	60,898	58,554
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	59,074	59,074	57,517
Military Operations that Contribute to Regional Security	1,824	1,824	1,037

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	60,489	60,489	58,145
Military Operations in Support of a Rules-Based International Order	58,810	58,810	57,253
Military Operations that Contribute to Regional Security	1,679	1,679	892
Revenue from Others	409	409	409
Military Operations in Support of a Rules-Based International Order	264	264	264
Military Operations that Contribute to Regional Security	145	145	145

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

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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

	2025/26		2026/27
	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.			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below</i>			
UNTSO (Middle East) [Operation Scoria]	Meet	Met	Meet
UNMISS (South Sudan) [Operation Sudden]	Meet	Met	Meet
UNCMAC (Republic of Korea) [Operation Monitor]	Meet	Met	Meet

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
<i>Lead and contribute to regional contingency military operations, as listed</i>			
<i>Contribute military forces to contingencies in the rest of the world</i>			
Operation Farad: Multinational Forces and Observers (Sinai)	Meet	Met	Meet
New Zealand Defence Support Unit, Middle East	Meet	Met	Meet
NZDF's contribution to maritime security efforts in the Middle East	Meet	Met	Meet
NZDF's contribution to a multinational intelligence mission in the Middle East	Meet	Met	Meet
UNSCR sanctions against North Korea [Operation Whio]	Meet	Met	Meet
NZDF's support to the Ukraine Armed Forces	Meet	Met	Meet
The NZDF's contribution to New Zealand's response to tensions in the Middle East (Middle East) (see Note 1)	-	-	Measure Removed
<i>The conduct of military operations and other tasks that support the Government's strategic interests</i>			
Lead and contribute to military operations and other tasks that contribute to the deterrence of malign activity counter to New Zealand's interests	Meet	Met	Meet
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 set to expire before the beginning of financial year 2026/27, 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 2027 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Defence Force Remuneration	2026/27	-	379	379	379	379
Defence Capability Plan - Small Scale Capability Projects	2026/27	-	28	55	55	55
Remuneration - Military Allowances	2025/26	4,739	4,739	4,739	4,739	4,739
NZDF Overseas Deployments to Advance New Zealand's Defence and Foreign Policy Objectives	2025/26	20,000	20,000	20,000	20,000	20,000
Defence Capability Plan - Operationalising the NZDF Workforce Strategy - Phase 1	2025/26	88	82	49	40	40
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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	18,764	18,764	20,798
Departmental Output Expenses			
Administration Services	5,970	5,970	9,704
Policy Advice	391	391	231
Services and Payments to Veterans	12,403	12,403	10,863
Funding for Departmental Output Expenses			
Revenue from the Crown	18,764	18,764	20,798
Administration Services	5,970	5,970	9,704
Policy Advice	391	391	231
Services and Payments to Veterans	12,403	12,403	10,863

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

	2025/26		2026/27
	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

Assessment of Performance	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
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.			
<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
Policy Advice			
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%

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Services and Payments to Veterans			
This category is intended to achieve the assessment, determination, review and appeal of entitlements and services to veterans and their spouses, children and dependants, provided for under the Veterans' Support Act 2014 (including grand-parented entitlements and services under the repealed War Pensions Act 1954 where claims were lodged before 7 December 2014), the assessment and review of eligibility for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management services for veterans and their families.			
Applications and Reviews			
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%
Provide Case Management			
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%
Deal with Enquiries			
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 2027 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Veterans' Affairs Cost Pressure	2026/27	-	1,500	1,500	1,500	1,500
Defence Force Remuneration	2026/27	-	196	196	196	196
Depreciation Expense Arising from Asset Revaluations	2026/27	-	17	17	17	17
Defence Capability Plan - Small Scale Capability Projects	2026/27	-	5,700	360	360	360
Civilian Workforce Savings	2025/26	(925)	(925)	(925)	(925)	(925)
Veterans' Affairs Cost Pressure	2025/26	1,373	-	-	-	-
Remuneration - Civilian Personnel	2025/26	257	257	257	257	257

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Defence Capability Plan - Operationalising the NZDF Workforce Strategy - Phase 1	2025/26	88	82	49	40	40
Services to Veterans - Ensuring Effective and Timely Delivery	2024/25	1,000	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

Reasons for Change in Appropriation

The increase in this appropriation for 2026/27 is mainly due to:

- \$5.700 million for Defence Capability Plan Small Scale Capability Projects as approved through Budget 2026, and
- \$1.500 million for Veterans' Affairs Cost Pressures as approved through Budget 2026.

This is partially offset by a \$4 million fiscally neutral adjustment within the Vote in 2026/27 to align funding to the delivery of outputs.

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

	2025/26		2026/27
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	639,440	639,440	621,438
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	123,585	123,585	117,490
Defence International Engagement	133,754	133,754	148,076
Defence Support to the Community	70,555	70,555	67,368
Military Assistance to Civil Authorities in Non-Emergency Situations	64,413	64,413	60,324
Resource and Border Protection Operations	247,133	247,133	228,180
Funding for Departmental Output Expenses			
Revenue from the Crown	611,629	611,629	596,852
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	121,985	121,985	115,890
Defence International Engagement	123,383	123,383	139,905
Defence Support to the Community	59,035	59,035	56,873
Military Assistance to Civil Authorities in Non-Emergency Situations	63,395	63,395	59,306
Resource and Border Protection Operations	243,831	243,831	224,878
Revenue from Others	27,811	27,811	24,586
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	1,600	1,600
Defence International Engagement	10,371	10,371	8,171
Defence Support to the Community	11,520	11,520	10,495
Military Assistance to Civil Authorities in Non-Emergency Situations	1,018	1,018	1,018
Resource and Border Protection Operations	3,302	3,302	3,302

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

	2025/26		2026/27
	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	2025/26		2026/27
	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%

	2025/26		2026/27
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
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	2025/26		2026/27
	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 completion of agreed support to 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	2025/26		2026/27
	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 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 response tasks Air surveillance capabilities are available to meet the National Maritime Coordination Centre requirements 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 response tasks Maritime security force capabilities are available to meet the National Maritime Coordination Centre requirements 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 2027 to be presented in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Current Government						
Defence Capability Plan - Cost Increases	2026/27	-	4,400	4,400	4,400	4,400
Defence Force Remuneration	2026/27	-	4,562	4,562	4,562	4,562
Depreciation expense arising from Asset Revaluations	2026/27	-	1,851	1,851	1,851	1,851
Defence Capability Plan - Small Scale Capability Projects	2026/27	-	527	898	898	898
Defence Capability Plan: Building Resilience and Capacity to Strengthen National Security and Innovation	2026/27	-	270	200	200	200
Defence Capability Plan - Intelligence Advantage Need to Invest	2026/27	-	76	89	89	89
Defence Capability Plan - Defence Technology Accelerator	2026/27	-	913	1,000	1,062	1,062
Tagged Contingency: Modernising Devices and Productivity Tools	2025/26	2,314	2,350	2,218	2,419	2,041
Crown contribution to the New Zealand Liberation Museum	2025/26	(200)	-	-	-	-
Civilian Workforce Savings	2025/26	(4,705)	(4,705)	(4,705)	(4,705)	(4,705)
Remuneration - Military Allowances	2025/26	8,888	8,888	8,888	8,888	8,888
Remuneration - Civilian Personnel	2025/26	1,305	1,305	1,305	1,305	1,305
People and Organisation Support Cost Pressure	2025/26	1,600	1,600	1,600	1,600	1,600
Partner Interoperability and Commitments Cost Pressure	2025/26	810	810	810	810	810
Information Capability Cost Pressure	2025/26	750	750	750	750	750
Defence Capability Plan - Operationalising the NZDF Workforce Strategy - Phase 1	2025/26	1,326	1,230	732	600	600
Defence Capability Plan - Operating Funding To Support Ten Small Scale Defence Projects	2025/26	251	1,541	1,675	1,675	1,675
Defence Capability Plan - Increasing NZDF Engagement With Our Security Partners	2025/26	1,900	1,900	1,900	1,900	1,900
Defence Capability Plan - Future Naval Base Programme, Tranche 1a, Design and Enabling Works	2025/26	140	260	333	342	342
Critical Estate Sustainment Cost Pressure	2025/26	1,300	1,300	1,300	1,300	1,300
Defence Force Remuneration	2024/25	5,707	5,707	5,707	5,707	5,707
Depreciation Expense Arising from Asset Revaluation	2024/25	5,494	5,494	5,494	5,494	5,494
Homes for Families (Part Two)	2024/25	480	480	480	480	480
Reduction in Back-office Functions - New Zealand Defence Force	2024/25	(4,400)	(4,400)	(4,400)	(4,400)	(4,400)
Return of Funding for Lower Value Programmes and Activities	2024/25	(454)	(454)	(454)	(454)	(454)

Policy Initiative	Year of First Impact	2025/26 Final Budgeted \$000	2026/27 Budget \$000	2027/28 Estimated \$000	2028/29 Estimated \$000	2029/30 Estimated \$000
Previous Government						
Defence Force Operational Cost Pressures	2023/24	575	575	575	575	575
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

Reasons for Change in Appropriation

The decrease in the appropriation for 2026/27 is mainly due to the alignment of funding to the delivery of outputs (\$37.895 million). Partially offset by the Defence Force Remuneration cost pressure (\$4.562 million), Cost Increases initiative (\$4.400 million), draw down of the Tagged contingency: Future Enterprise Planning Programme (\$3.307 million), Depreciation Expense Arising from Asset Revaluations (\$1.851 million), and initiatives to support the Defence Capability Plan (\$1.786 million).