

# *Vote Defence Force*

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

APPROPRIATION ADMINISTRATOR: New Zealand Defence Force

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

## *Overview of the Vote*

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling just over \$3,312 million for the 2018/19 financial year.

This includes just over \$2,670 million for departmental output expenses covering the following:

- a total of just under \$2,164 million on Air (\$840 million), Army (\$871 million) and Navy (\$453 million) capabilities prepared for joint operations to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand. These are held at appropriate levels of capability and preparedness to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts. 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, and
- a total of just over \$506 million on Multi-Category Appropriations (MCA) for Advice to the Government, Operations Contributing to New Zealand's Security, Stability and Interests, and the Protection of New Zealand and New Zealanders.

Of the total output expenses, just under \$17 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2018/19. The remainder is funded by Revenue Crown.

There is a capital expenditure appropriation of just over \$641 million for the purchase of assets.

The Minister of Defence is also responsible for a capital injection of nearly \$155 million to the New Zealand Defence Force.

The Minister for Veterans is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling just over \$128 million for the 2018/19 financial year.

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

# Details of Appropriations and Capital Injections

## Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	810,216	805,415	<b>839,757</b>
<b>Army Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	822,252	817,380	<b>871,346</b>
<b>Navy Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	438,065	435,469	<b>452,683</b>
<b>Total Departmental Output Expenses</b>	2,070,533	2,058,264	2,163,786
<b>Departmental Other Expenses</b>			
<b>Loss on Sale of Physical Assets (M22)</b> This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	4,860	4,860	-
<b>Total Departmental Other Expenses</b>	4,860	4,860	-
<b>Departmental Capital Expenditure</b>			
<b>New Zealand Defence Force - Capital Expenditure PLA (M22)</b> This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	460,000	460,000	641,490
<b>Total Departmental Capital Expenditure</b>	460,000	460,000	641,490
<b>Non-Departmental Output Expenses</b>			
<b>Development and Maintenance of Services Cemeteries (M75)</b> This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	<b>746</b>
<b>Total Non-Departmental Output Expenses</b>	746	746	746
<b>Benefits or Related Expenses</b>			
<b>Assessments, Treatment &amp; Rehabilitation (M75)</b> This appropriation is limited to the payment of the costs of assessments, treatment (including associated aids and appliances), and social and vocational rehabilitation provided for under the Veterans' Support Act 2014 and associated regulations.	15,179	14,679	<b>12,114</b>
<b>Special Annuities (M75)</b> This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.	90	90	<b>91</b>
<b>Veterans' Independence Programme (M75)</b> This appropriation is limited to provision of services and support to assist eligible veterans and their families.	10,919	8,419	<b>11,045</b>

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Veterans Support Entitlement (M75)</b> This appropriation is limited to the payment of entitlements (in respect of the impairment or death of veterans determined to be related to qualifying operational service occurring at any time or qualifying routine service occurring prior to 1 April 1974) to veterans and their spouses, partners, children and dependants under the Veterans' Support Act 2014 and associated regulations and to the provision for grandparented loans of the differential between 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941 for interest concessions on land and buildings.	94,439	89,973	<b>86,233</b>
<b>Total Benefits or Related Expenses</b>	120,627	113,161	109,483
<b>Non-Departmental Other Expenses</b>			
<b>Debt Write-Down for Benefits and Other Unrequited Expenses (M75)</b> This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles.	250	250	<b>250</b>
<b>Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)</b> This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam veterans.	830	580	<b>1,100</b>
<b>Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75)</b> This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	203	<b>203</b>
<b>Grant Payments to Non-Government Organisations (M75)</b> This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	270	270	<b>275</b>
<b>Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75)</b> This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	340	340	<b>200</b>
<b>Total Non-Departmental Other Expenses</b>	1,893	1,643	2,028
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Advice to the Government MCA (M22)</b> The overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	10,705	10,641	<b>13,645</b>
<b>Departmental Output Expenses</b>			
<b>Policy Advice</b> 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.	3,727	3,705	3,832
<b>Situational Awareness</b> 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.	5,023	4,993	7,805
<b>Supporting Ministers</b> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	1,955	1,943	2,008
<b>Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22)</b> The overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.	52,424	52,424	<b>39,078</b>

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Military Operations in Support of a Rules-Based International Order</b> 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.	51,915	51,915	38,569
<b>Military Operations that Contribute to Regional Security</b> This category is limited to the costs of providing specialised support to all-of-government efforts to maintain security and stability in New Zealand's immediate neighbourhood including responses to events that impact on the safety and wellbeing of regional populations, as directed by the Government.	509	509	509
<b>Policy Advice And Other Services For Veterans MCA (M75)</b> The 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.	10,114	10,054	<b>15,802</b>
<b>Departmental Output Expenses</b>			
<b>Administration Services</b> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.	2,869	2,852	2,927
<b>Policy Advice</b> This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.	426	423	230
<b>Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)</b> This category is limited to the repatriation of service personnel and dependants buried abroad as a result of a military burial since 1 January 1955.	550	547	6,250
<b>Services and Payments to Veterans</b> This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.	6,269	6,232	6,395
<b>Protection of New Zealand and New Zealanders MCA (M22)</b> The overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	439,795	437,188	<b>454,032</b>
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b> This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.	73,688	73,251	75,726
<b>Defence International Engagement</b> This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.	98,183	97,601	98,732
<b>Defence Support to the Community</b> This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.	44,553	44,289	49,234

Titles and Scopes of Appropriations by Appropriation Type	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<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.	34,879	34,672	35,234
<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.	188,492	187,375	195,106
<b>Total Multi-Category Expenses and Capital Expenditure</b>	513,038	510,307	522,557
<b>Total Annual and Permanent Appropriations</b>	3,171,697	3,148,981	3,440,090

## Capital Injection Authorisations

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22)	206,287	206,287	154,733

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
Defence Frigate System Upgrade - Additional Funding	<b>Capital Injection</b> Capital Injection	10,209	63,358	71,964	2,469	-
Deployments to United Nations operations	<b>Operations Contributing to New Zealand's Security, Stability and Interests</b> Departmental Output Expense (MCA)	176	600	-	-	-
Grant Payments for Non-Government Organisations	<b>Grant Payments to Non-Government Organisations</b> Non-Departmental Other Expense	270	275	275	275	275
Repatriation of the Remains of Service Personnel and Dependents	<b>Policy Advice and Other Services for Veterans</b> Departmental Output Expense (MCA)	-	6,250	-	-	-
Deployment of an Inshore Patrol Vehicle to Fiji	<b>Protection of New Zealand and New Zealanders</b> Departmental Output Expense (MCA)	425	926	-	-	-
Expanding the Limited Service Volunteer Programme	<b>Protection of New Zealand and New Zealanders</b> Departmental Output Expense (MCA)	-	1,278	2,013	2,135	2,199
	<b>Capital Injection</b> Capital Injection	-	1,000	-	-	-
	Total	-	2,278	2,013	2,135	2,199
Defence White Paper 2016 - Operating Funding	<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	5,055	29,204	29,204	29,204
	<b>Army Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	6,299	36,397	36,397	36,397
	<b>Navy Capabilities Prepared for Joint Operations and Other Tasks</b> Departmental Output Expense	-	3,491	20,171	20,171	20,171
	<b>Protection of New Zealand and New Zealanders</b> Departmental Output Expense (MCA)	-	2,261	13,060	13,060	13,060

Policy Initiative	Appropriation	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
	<b>Advice to Government</b> Departmental Output Expense (MCA)	-	553	3,194	3,194	3,194
	<b>Policy Advice and Other Services for Veterans</b> Departmental Output Expense (MCA)	-	21	120	120	120
	Total	-	17,680	102,146	102,146	102,146
Defence Estate Regeneration Programme Plan Tranche One - Capital Funding	<b>Capital Injection</b> Capital Injection	-	2,719	11,645	22,297	4,650
<b>Total Current Government Initiatives</b>		11,080	94,086	188,043	129,322	109,270
Deployments to United Nations and Middle East operations	<b>Operations Contributing to New Zealand's Security, Stability and Interests</b> Departmental Output Expense (MCA)	2,809	4,283	-	-	-
<b>Total Previous Government Initiatives</b>		2,809	4,283	-	-	-
<b>Total Initiatives</b>		<b>13,889</b>	<b>98,369</b>	<b>188,043</b>	<b>129,322</b>	<b>109,270</b>



## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2013/14	2014/15	2015/16	2016/17	2017/18		2018/19			2019/20	2020/21	2021/22
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	2,234,438	1,890,079	1,932,355	1,963,700	2,071,279	2,059,010	2,163,786	746	2,164,532	2,243,893	2,266,957	2,266,641
Benefits or Related Expenses	135,489	128,975	118,445	115,048	120,627	113,161	N/A	109,483	109,483	103,883	98,329	93,131
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,709	2,966	329	16,496	6,753	6,503	-	2,028	2,028	2,028	2,028	2,028
Capital Expenditure	428,987	532,588	336,550	411,885	460,000	460,000	641,490	-	641,490	772,905	633,780	531,456
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	428,445	488,532	503,662	513,038	510,307	522,557	-	522,557	525,536	522,613	522,795
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	<b>2,801,623</b>	<b>2,983,053</b>	<b>2,876,211</b>	<b>3,010,791</b>	<b>3,171,697</b>	<b>3,148,981</b>	<b>3,327,833</b>	<b>112,257</b>	<b>3,440,090</b>	<b>3,648,245</b>	<b>3,523,707</b>	<b>3,416,051</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 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

#### *Departmental Output Expenses*

The increases in annual Departmental Output expenses between 2013/14 and 2021/22 is due to new funding, as a result of the Defence Mid-Point Rebalancing Review and Defence White Paper 2016 recommendations, that introduce into service new capabilities that enhance and maintain the outputs delivered by the New Zealand Defence Force.

Other major changes relate to expense transfer between years to enable the successful completion of operations especially projects contributing to the Defence Estate Regeneration Programme, adjustments to reflect changes to revenue from other departments and third parties, and technical budget adjustments such as changes in Capital Charge as a result of changes to the Capital Charge rate and the revaluation of assets.

In 2014/15, a significant portion of Departmental Output Expenses were transferred to Multi-Category Expenses and Capital Expenditure.

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

In 2014/15, a significant portion of Departmental Output Expenses were transferred to Multi-Category Expenses and Capital Expenditure (MCAs) as the MCAs were introduced to deliver related outputs. Further adjustments were made in 2015/16, as NZDF adjusted the allocation of funding to reflect the activities completed by NZDF to deliver outputs.

The underlying baseline has been constant since 2016/17 with movements in the MCAs a result of the provision of Humanitarian Assistance and Disaster Recovery support and operation deployments to United Nations and Multi-National operations that contribute to New Zealand's Security, Stability and Interests.

#### *Other Expenses*

The trend in Other Expenses appropriations shown in the trends table between 2013/14 and 2021/22 reflects generally smooth activity impacted by occasional write down of Veterans' loans. The 2016/17 and 2017/18 other expense appropriations are higher than the general trend due to the impact of the impairment and write off of assets following the Kaikōura/ Hurunui Earthquakes in November 2016, and the potential loss on sale on commercial properties respectively.

#### *Capital Expenditure*

The Capital Expenditure appropriation shown in the trends table between 2013/14 and 2021/22 reflects the agreed level of investment in the NZDF as a result of Defence Mid-Point Rebalancing Review and the Defence White Paper 2016 recommendations to introduce into service new capabilities that enhance and maintain the delivery of outputs. Increasing expenditure in 2018/19 and 2019/20 are largely a result of expected expenditure for the refreshing and replacement of aging air and maritime platforms.

### *Benefits or Related Expenses*

The major movements in annual Benefits or Related Expenses appropriations between 2013/14 and 2021/22 are primarily due to a decline in the number of veterans receiving Veteran Support Entitlement payments partially offset by the increasing cost of services provided.

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

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

##### *Scope of Appropriation*

This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.

##### *Expenses and Revenue*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	810,216	805,415	839,757
Revenue from the Crown	807,805	807,805	837,783
Revenue from Others	2,411	2,411	1,974

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

This appropriation is intended to achieve the following:

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

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

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval operations capabilities prepared for maritime warfare and security operations.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for counter sea and surveillance operations.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide fixed wing theatre air mobility capabilities prepared for intra-theatre air transport and air manoeuvre operations.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide tactical air mobility capabilities prepared for tactical air transport and air manoeuvre operations.	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.	100%	100%	100%

### 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 2019 to be presented to the House.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Defence White Paper 2016 - Operating Funding	2018/19	-	5,055	29,204	29,204	29,204
<b>Previous Government</b>						
Defence White Paper 2016	2017/18	11,032	34,165	34,165	33,376	33,376
Underwater Intelligence, Surveillance and Reconnaissance equipment	2017/18	400	400	400	400	400
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	29,987	29,987	29,987	29,987	29,987
Share of costs for Budget 2015 whole-of-government initiative	2015/16	(581)	(438)	(438)	(438)	(438)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	21,814	21,814	21,814	21,841	21,814
New Digital Radios and Associated Equipment	2015/16	4,366	4,366	4,366	4,366	4,366
Defence Mid-Point Rebalancing Review - Funding Track	2014/15	91,376	91,376	91,376	91,376	91,376

### *Reasons for Change in Appropriation*

The appropriation increased by \$29.541 million to \$839.757 million for 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$28.188 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service of new capabilities that enhance and maintain the delivery of outputs
- increased funding of \$3.613 million in Capital Charge as a result of the revaluation of assets, and
- increased funding of \$143,000 due to a reduced contribution towards the share of costs for Budget 2015 whole-of-government initiative.

This increase is partly offset by:

- reduced carry forward funding of \$1.113 million from prior years for the completion of projects contributing to the Defence Estate Regeneration Programme
- reduced funding of \$853,000 transferred to other appropriations as NZDF has adjusted how its funding is allocated to reflect the activities completed by NZDF to deliver outputs, and
- reduced other revenue of \$437,000 from visiting military for the recovery of expenses used in training activities.

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

#### *Scope of Appropriation*

This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.

#### *Expenses and Revenue*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	822,252	817,380	871,346
Revenue from the Crown	821,369	821,369	870,463
Revenue from Others	883	883	883

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

This appropriation is intended to achieve the following:

- Special Operations Forces prepared for theatre-level special operations to prevent terrorism and asymmetric threats reaching New Zealand's sovereign territory and those territories for which New Zealand has a strategic interest
- a designated high-readiness land combat capability prepared to respond to regional crises

- a combined arms land combat capability prepared to conduct stabilisation operations and 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, and
- a combined arms land combat capability prepared for global employment in complex warfighting in urban and open terrain either independently or within a coalition to conduct counter-insurgency operations and deter an aggressor from engaging in hostile activities against another state.

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

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
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 combined arms operations.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations.	100%	100%	100%

### *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 2019 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Defence White Paper 2016 - Operating Funding	2018/19	-	6,299	36,397	36,397	36,397
<b>Previous Government</b>						
Defence White Paper 2016	2017/18	13,731	42,519	42,519	41,535	41,535
Defence Force Logistics	2016/17	2,045	6,281	8,192	9,483	9,483
Counter Explosive Hazards	2016/17	1,514	4,338	4,338	4,338	4,338
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	36,045	36,045	36,045	36,045	36,045
Share of costs for Budget 2015 whole-of-government initiative	2015/16	(1,013)	(763)	(763)	(763)	(763)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	21,272	21,272	21,272	21,272	21,272
New Digital Radios and Associated Equipment	2015/16	4,257	4,257	4,257	4,257	4,257
Defence Mid-Point Rebalancing Review - Funding Track	2014/15	27,868	27,868	27,868	27,868	27,868

### *Reasons for Change in Appropriation*

The appropriation increased by \$49.094 million to \$871.346 million for 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$35.087 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service of new capabilities that enhance and maintain the delivery of outputs
- increased funding of \$4.391 million transferred from other appropriations as NZDF has adjusted how its funding is allocated to reflect the activities completed by NZDF to deliver its outputs
- increased funding of \$4.236 million for Modernising the Delivery of New Zealand Defence Force Logistics and its introduction into service
- increased funding of \$2.824 million for the delivery and introduction into service of an enhanced Counter Explosive Hazards capability
- increased funding of \$2.149 million in Capital Charge as a result of the revaluation of assets
- increased funding of \$250,000 due to a reduced contribution towards the share of the costs for Budget 2015 whole-of-government initiative, and
- an increase in carry forward funding of \$157,000 from prior years for the completion of projects that contribute to the Defence Estate Regeneration Programme.

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

#### *Scope of Appropriation*

This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.

#### *Expenses and Revenue*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	438,065	435,469	452,683
Revenue from the Crown	436,742	436,742	451,360
Revenue from Others	1,323	1,323	1,323

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

This appropriation is intended to achieve the following:

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



- strategic replenishment capability prepared to project and sustain deployed maritime, land and air forces
- naval patrol capabilities 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
- maritime capabilities, available for employment as a single ship or multi-ship international deployment in support of scheduled defence international engagement initiatives, and
- a shore-based capability able to implement naval cooperation and guidance for shipping and provide for the naval supervision of shipping in a crisis.

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

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime warfare operations.	100%	100%	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.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for replenishment.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for littoral warfare support.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide maritime trade operations capabilities prepared for naval guidance and supervision of shipping.	100%	100%	100%

### *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 2019 to be presented to the House.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Defence White Paper 2016 - Operating Funding	2018/19	-	3,491	20,171	20,171	20,171
<b>Previous Government</b>						
Maritime Sustainment Capability	2020/21	-	-	-	22,359	22,359
Defence White Paper 2016	2017/18	7,161	22,173	22,173	21,660	21,660
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	14,476	14,476	14,476	14,476	14,476
Share of costs for Budget 2015 whole-of-government initiative	2015/16	(606)	(459)	(459)	(459)	(459)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	13,875	13,875	13,875	13,875	13,875
New Digital Radios and Associated Equipment	2015/16	2,777	2,777	2,777	2,777	2,777
Defence Mid-Point Rebalancing Review - Funding Track	2014/15	23,507	23,507	23,507	23,507	23,507

*Reasons for Change in Appropriation*

The appropriation increased by \$14.618 million to \$452.683 million for 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$18.503 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service for new capabilities that enhance and maintain the delivery of outputs
- increased funding of \$7.540 million at the conclusion of an operating to capital swap for the implementation of Frigate System Upgrades
- increased funding of \$2.170 million in Capital Charge as a result of the revaluation of assets, and
- increased funding of \$147,000 due to a reduced contribution towards the share of the costs for Budget 2015 whole-of-government initiative.

This increase was offset by:

- reduced funding of \$8.318 million transferred to other appropriations as NZDF has adjusted how its funding is allocated to reflect activities completed by NZDF to deliver outputs
- reduced funding of \$3.200 million as a result of a transfer of expenses for Te Mana from 2018/19 to 2016/17 to reflect the change in the expected timeframe for the implementation of the Defence Frigate Systems Upgrade, and
- reduced carry forward funding of \$2.224 million from prior years for the completion of projects contributing to the Defence Estate Regeneration Programme.

## 2.3 - Departmental Capital Expenditure and Capital Injections

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

#### *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*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	448,546	448,546	630,955
Intangibles	11,454	11,454	10,535
Other	-	-	-
<b>Total Appropriation</b>	<b>460,000</b>	<b>460,000</b>	<b>641,490</b>

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

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

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

	2017/18		2018/19
	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 and 2016 Defence White Paper.	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 ended 30 June 2019 to be presented to the House.

#### *Reasons for Change in Appropriation*

This appropriation increased by \$181.490 million to \$641.490 million for 2018/19 to reflect the spending profile on major projects agreed in the Defence White Paper 2016.

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

Details of Net Asset Schedule	2017/18 Estimated Actual \$000	2018/19 Projected \$000	Explanation of Projected Movements in 2018/19
Opening Balance	6,493,622	6,699,909	
Capital Injections	206,287	154,733	Capital Injections for projects to enhance and maintain the capability of the New Zealand Defence Force in line with the Defence White Paper 2016. The capital injections in 2018/19 are for Defence Frigate System Upgrade - \$63.358 million; Defence Force Logistics - \$47.656 million; Defence Estate Regeneration Plan - Tranche 1 - \$42.719 million; and Expanding the Limited Service Volunteer Programme - \$1 million.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>6,699,909</b>	<b>6,854,642</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

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

##### *Scope of Appropriation*

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

##### *Expenses*

	2017/18		2018/19
	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*

	2017/18		2018/19
	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	Meet	Met	Meet

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

Performance information for this appropriation will be reported by the Minister of Veterans' Affairs in a report appended to the NZDF Annual Report.

##### *Service Providers*

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

## 3.2 - Non-Departmental Benefits or Related Expenses

### Assessments, Treatment & Rehabilitation (M75)

#### *Scope of Appropriation*

This appropriation is limited to the payment of the costs of assessments, treatment (including associated aids and appliances), and social and vocational rehabilitation provided for under the Veterans' Support Act 2014 and associated regulations.

#### *Expenses*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,179	14,679	12,114

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

This appropriation is intended to achieve the on-going payment of veteran assessments, treatment and rehabilitation with a strong focus on social and vocational rehabilitation to help younger veterans remain in or return to employment if they are able to do so.

#### *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 appropriation decreased by \$3.065 million to \$12,114 million for 2018/19. This decrease relates to a reduction in the number of clients requiring specialist services partially offset by the increasing cost of services provided.

### Special Annuities (M75)

#### *Scope of Appropriation*

This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.

#### *Expenses*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	90	90	91

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

This appropriation currently recognises a special contribution by two recipients to New Zealand society.

### *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.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Previous Government</b>						
Annuity Payable to Recipients of Victoria Cross	2016/17	50	50	50	50	50

### *Reasons for Change in Appropriation*

This appropriation increased by \$1,000 to \$91,000 in 2018/19. This increase between 2017/18 and 2018/19 is due to an increase in the rate of payment for annuities to align with consumer price index changes.

### *Conditions on Use of Appropriation*

Reference	Conditions
Special Annuities payments are made under the authority of Cabinet	Special Annuities are awards made by government and are not covered by legislation. Annual government approval is needed for their continued payment. Special Annuities are non-taxable.

## **Veterans' Independence Programme (M75)**

### *Scope of Appropriation*

This appropriation is limited to provision of services and support to assist eligible veterans and their families.

### *Expenses*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,919	8,419	11,045

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

This appropriation currently supports over 2,000 veterans to allow them to live independently in their homes.

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

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Services and support provided will be to the satisfaction of the veteran and/or the veterans' family	100%	100%	95%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister of Veterans' Affairs in a report appended to the NZDF Annual Report.

### *Reasons for Change in Appropriation*

The appropriation increased by \$126,000 to \$11,045 million in 2018/19. This increase relates to the increased cost of specialised services for an ageing client base.

### *Conditions on Use of Appropriation*

Reference	Conditions
Cabinet Decision	Reimbursement of out-of-pocket health expenses for children of Vietnam and Operation Grapple veterans with spina bifida manifesto, cleft lip/palate, adrenal gland cancer and acute myeloid cancer.  Travel assistance for children of Vietnam and Operation Grapple veterans when referred genetic counselling.  Provision of family/psychological counselling for families of Vietnam and Operation Grapple veterans.
Veterans' Support Act 2014	Provision of Attendant Allowance, Travel Concessions and Allowance, and home help services and support to assist eligible veterans and their families in accordance with the Veterans' Support Act 2014

## **Veterans Support Entitlement (M75)**

### *Scope of Appropriation*

This appropriation is limited to the payment of entitlements (in respect of the impairment or death of veterans determined to be related to qualifying operational service occurring at any time or qualifying routine service occurring prior to 1 April 1974) to veterans and their spouses, partners, children and dependants under the Veterans' Support Act 2014 and associated regulations and to the provision for grandparented loans of the differential between 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941 for interest concessions on land and buildings.

### *Expenses*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	94,439	89,973	86,233



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

This appropriation currently supports over 12,000 veterans, surviving spouses, partners and children through the ongoing payment of entitlements under the Veterans' Support Act 2014 and associated regulations.

### *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.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Previous Government</b>						
Manufacture and Installation of Headstones and Plaques	2016/17	397	375	355	355	355

### *Reasons for Change in Appropriation*

The appropriation decreased by \$8.206 million to \$86.233 million for 2018/19. This decrease between 2017/18 and 2018/19 relates to forecasted reductions in the number of recipients of this entitlement.

### 3.4 - Non-Departmental Other Expenses

#### Debt Write-Down for Benefits and Other Unrequited Expenses (M75)

##### *Scope of Appropriation*

This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles.

##### *Expenses*

	2017/18		2018/19
	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 under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

#### Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)

##### *Scope of Appropriation*

This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam veterans.

##### *Expenses*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	830	580	1,100

##### *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 under s15D(2)(b)(iii) of the Public Finance Act 1989 as the amount for this annual appropriation for a non-departmental other expense is less than \$5 million.

### *Reasons for Change in Appropriation*

The appropriation increased by \$270,000 to \$1.100 million in 2018/19. This increase reflects a one-off reduction in the 2017/18 year.

### *Conditions on Use of Appropriation*

Reference	Conditions
Accepted Conditions	A condition of the Institute of Medicine of the United States National Academy of Sciences 'Sufficient Evidence of Association' list, or one of the five conditions accepted as being related to parental dioxin exposure.
Comprehensive Medical Assessments	An assessment of the impact of service and exposure to a toxic environment on Vietnam veterans.

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

### *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*

	2017/18		2018/19
	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 under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

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

### Scope of Appropriation

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

### Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	270	270	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 under s15D(2)(b)(iii) of the Public Finance act 1989 as the amount for 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	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Grant Payment for Non-Government Organisations	2017/18	270	275	275	275	275

### Reasons for Change in Appropriation

This appropriation increased by \$5,000 to \$275,000 in 2018/19. This is a result of increased payments being made to Non-Government Organisations.

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

### Scope of Appropriation

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

### Expenses

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	340	340	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 under s15D(2)(b)(iii) of the Public Finance Act 1989 as the amount for 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	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Previous Government</b>						
Increased support for Contributions to Veterans' Commemorative Activities	2016/17	340	200	200	200	200

### *Reasons for Change in Appropriation*

This appropriation decreased by \$140,000 to \$200,000 in 2018/19 as assistance to veterans is scaled down and reduced at the conclusion in 2018/19 of the commemoration for the World War One 100th anniversary.

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

### Multi-Category Expenses and Capital Expenditure

#### Advice to the Government (M22)

##### *Overarching Purpose Statement*

The 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*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>10,705</b>	<b>10,641</b>	<b>13,645</b>
<b>Departmental Output Expenses</b>			
Policy Advice	3,727	3,705	3,832
Situational Awareness	5,023	4,993	7,805
Supporting Ministers	1,955	1,943	2,008
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>10,705</b>	<b>10,705</b>	<b>13,645</b>
Policy Advice	3,727	3,727	3,832
Situational Awareness	5,023	5,023	7,805
Supporting Ministers	1,955	1,955	2,008

##### *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*

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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*

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Policy Advice</b>			
This category is intended to achieve the provision of accurate, timely and responsive policy advice			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the common satisfaction survey	At least 90%	At least 90%	At least 90%
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)	At least an average of 70%	At least an average of 70%	At least an average of 70%
The total cost per hour of producing policy advice outputs	At most \$150	At most \$150	At most \$150
<b>Situational Awareness</b>			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes	Not less than 90%	Not less than 90%	Not less than 90%
<b>Supporting Ministers</b>			
This category is intended to achieve the provision of quality and timely support to Ministers			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations	Not less than 90%	Not less than 90%	Not less than 90%

### *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 2019 to be presented to the House.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Defence White Paper 2016 - Operating Funding	2018/19	-	553	3,194	3,194	3,194
<b>Previous Government</b>						
Defence White Paper 2016	2017/18	1,106	3,425	3,425	3,346	3,346
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	166	166	166	166	166
Share of costs for Budget 2015 whole-of-government initiative	2015/16	(12)	(8)	(8)	(8)	(8)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	375	375	375	375	375

### Reasons for Change in Appropriation

This appropriation increased by \$2.940 million to \$13.645 million in 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$2.872 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service of new capabilities that enhance and maintain the delivery of outputs
- increased funding of \$61,000 transferred from other appropriations as NZDF has adjusted how its funding is allocated to reflect the activities completed by NZDF to deliver outputs
- increased funding of \$4,000 due to a reduced contribution towards the share of costs for Budget 2015 whole-of-government initiative, and
- increased funding of \$3,000 in Capital Charge as a result of the revaluation of assets.

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

#### Overarching Purpose Statement

The overarching purpose of this appropriation is the employment of New Zealand's Armed Forces 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*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>52,424</b>	<b>52,424</b>	<b>39,078</b>
<b>Departmental Output Expenses</b>			
Military Operations in Support of a Rules-Based International Order	51,915	51,915	38,569
Military Operations that Contribute to Regional Security	509	509	509
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>52,115</b>	<b>52,115</b>	<b>38,769</b>
Military Operations in Support of a Rules-Based International Order	51,651	51,651	38,305
Military Operations that Contribute to Regional Security	464	464	464
<b>Revenue from Others</b>	<b>309</b>	<b>309</b>	<b>309</b>
Military Operations in Support of a Rules-Based International Order	264	264	264
Military Operations that Contribute to Regional Security	45	45	45

*What is Intended to be Achieved with this Appropriation*

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

*How Performance will be Assessed for this Appropriation*

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Operations Contributing to New Zealand's Security, Stability and Interests MCA			
Achieve the conduct of military operations and other tasks that support the Government's strategic interests	Meet	Met	Meet
Enhance all-of-government capacity to respond to regional crises	Meet	Met	Meet

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

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Military Operations in Support of a Rules-Based International Order</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 2017):</i>			
Contribute to United Nations Mission UNTSO (Middle East) [Operation Scoria]	Meet	Met	Meet
Contribute to United Nations Mission UNMISS (South Sudan) [Operation Sudden]	Meet	Met	Meet
Contribute to United Nations Mission UNCMAC (Republic of Korea) [Operation Monitor]	Meet	Met	Meet
<i>Lead and contribute to regional contingency military operations, as listed (No mandated operations)</i>			
Contribute military forces to MFO Sinai (Operation Farad)	Meet	Met	Meet
Contribute military forces to Operation Arika (Afghanistan) [Operation Rua II]	Meet	Met	Meet
Contribute military forces to Operation Troy (Middle East)	Meet	Met	Meet
Contribute military forces to Operation Pukeko (NZDF officers in Headquarters and Support Staff, Middle East)	Meet	Met	Meet
Contribute to Operation Mohua (Middle East)	Meet	Met	Meet
Contribute to Operation Manawa (Iraq)	Meet	Met	Meet
Contribute to Operation Tawhiti (Mali) with effect from March 2018	Meet	Met	Meet
Contribute to Operation Teal (Middle East)	Meet	Met	Meet
<b>Military Operations that Contribute to Regional Security</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed.	100%	100%	100%
Percentage of the agreed notice to move met for strategic airlift and sealift capabilities to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere.	100%	100%	100%
Percentage of the agreed notice to move met for a specialised, high-readiness task group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population.	100%	100%	100%

### *End of Year Performance Reporting*

Performance will be reported by the Chief of Defence in the NZDF Annual Report for the year ended 30 June 2019 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Deployment to United Nations operations	2017/18	176	600	-	-	-
<b>Previous Government</b>						
Deployments to United Nations and Middle East operations	2017/18	2,809	4,283	-	-	-
Deployments to the Middle East and South Sudan	2016/17	18,205	29	-	-	-
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	704	704	704	704	704

### *Reasons for Change in Appropriation*

The appropriation decreased by \$13.346 million to \$39.078 million for 2018/19. This decrease between 2017/18 and 2018/19 relates to:

- decreased funding of \$18.176 million for the successful completion in 2017/18 of NZDF's support, through the provision of training, security, engineering, and supervision, for United Nations and Multi-national force operations in Iraq, Afghanistan, and across the Middle East.

This decrease is partly offset by:

- increased funding of \$4.829 million for deployments to the Middle East that support Maritime Security and the contributions of support staff for United Nations operations in Korea, South Sudan and Mali, and
- increased funding of \$1,000 in Capital Charge as a result of the revaluation of assets.

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

### *Overarching Purpose Statement*

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

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Administration Services*

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.

##### *Policy Advice*

This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.

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

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

##### *Services and Payments to Veterans*

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

### *Expenses, Revenue and Capital Expenditure*

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>10,114</b>	<b>10,054</b>	<b>15,802</b>
<b>Departmental Output Expenses</b>			
Administration Services	2,869	2,852	2,927
Policy Advice	426	423	230
Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)	550	547	6,250
Services and Payments to Veterans	6,269	6,232	6,395

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
Revenue from the Crown	<b>10,114</b>	<b>10,114</b>	<b>15,802</b>
Administration Services	2,869	2,869	2,927
Policy Advice	426	426	230
Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)	550	550	6,250
Services and Payments to Veterans	6,269	6,269	6,395

### *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*

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Policy Advice and Other Services for Veterans MCA</b>			
The satisfaction of veterans as expressed in the annual Veteran Survey rating of overall satisfaction with Veterans' Affairs as either Excellent or Good (Transferred 2017/18 from MCA - Services and Payments to Veterans)	Refer to MCA - Services and Payments to Veterans	Refer to MCA - Services and Payments to Veterans	70%
The satisfaction of the Minister of Veterans' Affairs with the policy advice service, as per the common satisfaction survey (Transferred 2017/18 from MCA - Policy Advice)	Refer to MCA - Policy Advice	Refer to MCA - Policy Advice	80%

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

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Administration Services</b>			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision making) responsibilities, assisting with the coordination of commemorations and the provision of administration services to relevant boards and panels and contracts for work carried out in Services Cemeteries.			

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Assessment of Performance</b>			
<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>			
Administrative Support meets Board/Panel requirements	100%	100%	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
<b>Policy Advice</b>			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on Government policy matters relating to Veterans' Affairs.			
Replies to requests within 20 working days, if not otherwise specified	95%	95%	95%
The first drafts of all policy products presented to the Minister will be accepted	95%	95%	95%
<b>Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)</b>			
This category is intended to achieve the successful repatriation, where agreed, of New Zealanders interred overseas as a result of a military burial.			
The percentage of families that are satisfied with the repatriation of their relative	100%	100%	100%
<b>Services and Payments to Veterans</b>			
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 Services Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management services for veterans and their families.			
<b>Assessments and Reviews:</b>			
Where all information is provided, Veterans' Affairs will make a decision on the claim within 30 working days of it being received	100%	100%	100%
All amendments to and replacements of, Statements of Principles (SOPs), are reported to the Veterans' Health Advisory Panel for consideration and decisions by the Minister of Veterans' Affairs regarding adoption	100%	100%	100%
Reviews will be completed within three months of receipt	100%	100%	100%

	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<i>Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans:</i>			
<i>Provide Case Management:</i>			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	95%	95%	95%
Within 13 weeks after Veterans' Affairs accepts a veteran's claim for entitlements under Scheme One or Two, Veterans' Affairs in association with the Rehabilitation Advisor must determine whether the veteran is likely to need social or vocational rehabilitation and if so prepare a rehabilitation plan in consultation with the veteran	100%	100%	100%
<i>Deal with Enquiries:</i>			
Calls will be resolved on first contact	80%	80%	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 2019 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Repatriation of the Remains of Service Personnel and Dependents	2018/19	-	6,250	-	-	-
Defence White Paper 2016 - Operating Funding	2018/19	-	21	120	120	120
<b>Previous Government</b>						
Repatriation of New Zealand Service Personnel buried overseas	2017/18	750	-	-	-	-
Defence White Paper 2016	2017/18	81	248	248	243	243
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	159	159	159	159	159

### *Reasons for Change in Appropriation*

The appropriation increased by \$5.688 million to \$15.802 million for 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$5.500 million for the repatriation of New Zealand service personnel buried overseas, and
- increased funding of \$188,000 as a result of Defence White Paper 2016 funding decisions for the introduction into service of new capabilities that enhance and maintain the delivery of outputs.

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

### Overarching Purpose Statement

The 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

	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>439,795</b>	<b>437,188</b>	<b>454,032</b>
<b>Departmental Output Expenses</b>			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	73,688	73,251	75,726
Defence International Engagement	98,183	97,601	98,732
Defence Support to the Community	44,553	44,289	49,234
Military Assistance to Civil Authorities in Non-Emergency Situations	34,879	34,672	35,234
Resource and Border Protection Operations	188,492	187,375	195,106



	2017/18		2018/19
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>428,979</b>	<b>428,979</b>	<b>441,809</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	73,626	73,626	75,664
Defence International Engagement	94,742	94,742	96,089
Defence Support to the Community	37,787	37,787	40,263
Military Assistance to Civil Authorities in Non-Emergency Situations	34,879	34,879	35,234
Resource and Border Protection Operations	187,945	187,945	194,559
<b>Revenue from Others</b>	<b>10,816</b>	<b>10,816</b>	<b>12,223</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	62	62	62
Defence International Engagement	3,441	3,441	2,643
Defence Support to the Community	6,766	6,766	8,971
Resource and Border Protection Operations	547	547	547

### *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*

	2017/18		2018/19
	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	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b>			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability	100%	100%	100%
Percentage of the levels of operational capability and readiness as directed met to generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the New Zealand Police	100%	100%	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance	100%	100%	100%
Percentage of agreed notice to move met for the specialised Explosive Ordnance Disposal Squadron to respond to requests to assist New Zealand Police operations	100%	100%	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations	100%	100%	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations	100%	100%	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas	100%	100%	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand	100%	100%	100%
Percentage of requests met to augment the capacity of the New Zealand Fire Service and Rural Fire Authority 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%

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
<b>Defence International Engagement</b>			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF.	Meet	Met	Meet
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	100%	100%	100%
Percentage of approved Senior Officer visit programme 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	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Defence Support to the Community</b>			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
Percentage of satisfaction with the NZDF's provision of leadership and skills training for the New Zealand Cadet Forces to develop confident, responsible young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Social Development requirements for trainees selected for Limited Service Volunteer courses to gain life skills, develop core values, teamwork and trust, which boost self-esteem and confidence	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Education Youth Life Skills programme requirements for Service Academies and the provision of leadership development and outdoors adventure-based training opportunities within high schools	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the New Zealand Police Blue Light Trust with NZDF services to enhance the Trust's youth development programmes nationwide	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of Service Museum Trust Boards with NZDF support to Service Museums and the development, management and display of New Zealand's military history collections for the preservation of New Zealand's military history and culture for the enjoyment of future generations	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction to support significant national and local events that benefit the community through the provision of services at hui of significance and national and local events, including ceremonial and military displays that contribute to the success of the occasion and enhances the identity and professional reputation of the NZDF	Not less than 90%	Not less than 90%	Not less than 90%
<b>Military Assistance to Civil Authorities in Non-Emergency Situations</b>			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities.			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction	100%	100%	100%
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support significant military anniversaries, nationally recognised commemorative events and significant commemorative events overseas	100%	100%	100%
Percentage of requests met to provide representational staff for the Viceregal House, military guards, suitably tailored for the occasion, military bands, air, land and sea transport and associated support for viceregal activities	100%	100%	100%
Percentage of requests met to provide air, land and sea transport for members of the Government and guests of the State to support the Government's internal and external transportation requirements	100%	100%	100%

Assessment of Performance	2017/18		2018/19
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Resource and Border Protection Operations</b>			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Percentage of information on maritime traffic, suitably adapted for civil needs, that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand	100%	100%	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total air surveillance response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the NZDF's specialised military capabilities to support Antarctic New Zealand's operations in New Zealand and on the Antarctic continent, including contributions to the joint United States/New Zealand logistics pool to support New Zealand's right to sovereignty over the Ross Dependency and continuous presence on the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Foreign Affairs and Trade for the NZDF's provision of specialised military capabilities to support New Zealand's efforts to manage marine living resources on and about the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of total pre-planned tasks requested by the National Maritime Coordination Centre to conduct pre-planned missions to service the offshore islands and demonstrate New Zealand's sovereignty met	Not less than 90%	Not less than 90%	Not less than 90%

### *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 2019 to be presented in the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2017/18 Final Budgeted \$000	2018/19 Budget \$000	2019/20 Estimated \$000	2020/21 Estimated \$000	2021/22 Estimated \$000
<b>Current Government</b>						
Expanding the Limited Service Volunteer Programme	2018/19	-	1,278	2,013	2,135	2,199
Deployment of an Inshore Patrol Vehicle to Fiji	2017/18	425	926	-	-	-
Defence White Paper 2016 - Operating Funding	2018/19	-	2,261	13,060	13,060	13,060
<b>Previous Government</b>						
Defence White Paper 2016	2017/18	4,041	12,510	12,510	12,219	12,219
Deployment of Inshore Patrol vessel to Fiji	2016/17	1,088	-	-	-	-
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	8,163	8,163	8,163	8,163	8,163
Share of costs for Budget 2015 whole-of-government initiative	2015/16	(631)	(475)	(475)	(475)	(475)

### *Reasons for Change in Appropriation*

The appropriation increased by \$14.237 million to \$454.032 million for 2018/19. This increase between 2017/18 and 2018/19 relates to:

- increased funding of \$10.730 million as a result of the Defence White Paper 2016 funding decisions for the introduction of new capabilities that enhance and maintain the delivery of outputs
- increased funding of \$2.205 million from the Ministry of Social Development to support expanding the Limited Service Volunteer Programme
- increased funding of \$1.788 million transferred from other appropriations as NZDF has adjusted how its funding is allocated to reflect the activities completed by NZDF to deliver its outputs
- increased funding of \$1.278 million to expand the delivery of the Limited Service Volunteer Programme
- increased funding of \$1.065 million in Capital Charge as a result of the revaluation of assets
- increased funding of \$501,000 for a new deployment of an inshore patrol vehicle to Fiji to support their regional security activities, and
- increased funding of \$156,000 due to a reduced contribution towards the share of the costs for Budget 2015 whole-of-government initiative.

This was partially offset by:

- reduced carry forward funding of \$1.600 million from prior years for the completion of projects contributing to the Defence Estate Regeneration Programme
- reduced funding of \$1.088 million at the completion of the deployment of an inshore patrol vehicle to Fiji to support their regional security activities, and
- reduced funding of \$798,000 for other revenue received from the recovery of costs.