

Vote Defence Force

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 appropriations within Vote Defence Force total \$4,291 million for the 2019/20 financial year with the Minister of Defence responsible for \$4,166 million and the Minister for Veterans' Affairs responsible for \$125 million. Vote Defence Force includes \$2,316 million for Departmental Output Expenses and \$531 million for Multi-Category Appropriations (MCA) for the delivery of outputs. The Vote also includes \$1,330 million for capital expenditure, and \$569 million for capital injections, for the purchase and regeneration of capabilities and platforms that enhance and maintain the delivery of outputs. An additional \$114 million has been included for Non-Departmental Expenditure that supports veterans and their families.

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling \$4,166 million for the 2019/20 financial year.

This includes \$2,837 million for Departmental Output Expenses covering the following:

- a total of \$2,316 million on Air (\$907 million), Army (\$916 million) and Navy (\$493 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 \$521 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, \$19 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2019/20. The remainder is funded by Revenue Crown.

There is a capital expenditure appropriation of \$1,330 million for the purchase of assets.

The Minister of Defence is also responsible for a capital injection of \$568 million to the New Zealand Defence Force.

The Minister for Veterans is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling \$125 million for the 2019/20 financial year.

This includes \$10 million for a Multi-Category Appropriation (MCA) for Policy Advice and Other Services for Veterans, a capital injection of \$738,000, and \$114 million of Non-Departmental Expenditure for the provision of benefits, entitlements and services that support veterans and their families.

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

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) 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.	857,524	852,976	907,237
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) 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.	862,038	857,058	916,039
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) 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.	454,070	445,775	492,818
Total Departmental Output Expenses	2,173,632	2,155,809	2,316,094
Departmental Other Expenses			
Loss on Sale of Physical Assets (M22) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	7,910	7,910	-
Total Departmental Other Expenses	7,910	7,910	-
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) 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.	763,534	763,534	1,330,035
Total Departmental Capital Expenditure	763,534	763,534	1,330,035
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	746
Total Non-Departmental Output Expenses	746	746	746

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Benefits or Related Expenses			
Assessments, Treatment & Rehabilitation (M75) 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.	15,967	13,567	11,996
Special Annuities (M75) This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.	92	90	92
Veterans' Independence Programme (M75) This appropriation is limited to provision of services and support to assist eligible veterans and their families.	16,226	14,426	14,675
Veterans Support Entitlement (M75) 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.	93,302	89,802	84,480
Total Benefits or Related Expenses	125,587	117,885	111,243
Non-Departmental Other Expenses			
Debt Write-Down for Benefits and Other Unrequited Expenses (M75) 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	250
Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75) 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.	1,100	1,100	1,100
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	203	203
Grant Payments to Non-Government Organisations (M75) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	275	275
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	200	200
Total Non-Departmental Other Expenses	2,028	2,028	2,028

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	13,645	13,634	16,288
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.	3,832	3,829	3,904
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.	7,805	7,799	10,364
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.	2,008	2,006	2,020
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.	59,767	58,439	26,297
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.	59,258	57,930	25,788
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.	509	509	509
Policy Advice And Other Services For Veterans MCA (M75) The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.	15,802	12,276	10,259
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.	2,927	2,919	2,960
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.	230	229	230

Titles and Scopes of Appropriations by Appropriation Type	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<i>Services and Payments to Veterans</i> This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.	6,395	6,378	7,069
<i>Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)</i> 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.	6,250	2,750	-
Protection of New Zealand and New Zealanders MCA (M22) The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	477,945	475,448	478,162
<i>Departmental Output Expenses</i>			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i> This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.	78,749	78,396	78,657
<i>Defence International Engagement</i> This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.	99,534	99,470	101,968
<i>Defence Support to the Community</i> This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.	51,249	51,011	52,670
<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.	36,239	36,165	37,043
<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.	212,174	210,406	207,824
Total Multi-Category Expenses and Capital Expenditure	567,159	559,797	531,006
Total Annual Appropriations and Forecast Permanent Appropriations	3,640,596	3,607,709	4,291,152

Capital Injection Authorisations

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22)	363,871	363,871	568,567

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A	Capital Injection Capital Injection	99,953	419,682	685,113	371,541	69,637
	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	16,465	27,223	49,863	60,880	50,373
	Protection of New Zealand and New Zealanders Departmental Output Expense (MCA)	4,117	6,806	12,466	15,219	12,594
	Total	120,535	453,711	747,442	447,640	132,604
Joint Minister Approval to Buy a Dive and Hydrographic Vessel	Capital Injection Capital Injection	89,185	13,031	1,200	-	-
Deployments to United Nations, Multi-National and Middle East Operations	Operations Contributing to New Zealand's Security, Stability and Interests Departmental Output Expense (MCA)	20,689	-	-	-	-
Generation of Air Force Capabilities to deliver Defence Policy	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	6,730	6,599	6,499	6,499
Generation of Navy Capabilities to deliver Defence Policy	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses	-	9,028	8,828	8,828	8,828
Generation of Army Capabilities to deliver Defence Policy	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses	-	2,715	2,073	2,073	2,073

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Generation of Defence Estate to support delivery of Defence Policy	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	2,447	2,447	2,447	2,447
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses		4,955	4,955	4,955	4,955
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses	-	1,348	1,348	1,348	1,348
	Protection of New Zealand and New Zealanders Departmental Output Expense (MCA)	-	2,463	2,463	2,463	2,463
	Total	-	11,213	11,213	11,213	11,213
Generation of People Capability to support delivery of Defence Policy	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	1,740	1,740	1,740	1,740
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses	-	7,761	7,761	7,761	7,761
	Total	-	9,501	9,501	9,501	9,501
Generation of Military Enablers to support delivery of Defence Policy	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	1,398	1,317	1,317	1,317
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	4,035	3,799	3,799	3,799
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expenses	-	1,119	1,054	1,054	1,054
	Protection of New Zealand and New Zealanders Departmental Output Expense (MCA)	-	1,695	1,597	1,597	1,597
	Total	-	8,247	7,767	7,767	7,767

Policy Initiative	Appropriation	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Promoting and supporting the health and wellbeing of veterans and their families	Capital Injection Capital Injection	-	738	896	247	120
	Policy Advice and Other Services For Veterans Departmental Output Expense (MCA)	-	608	636	664	157
	Total	-	1,346	1,532	911	277
Total Initiatives		230,409	515,522	796,155	494,432	178,762

1.2 - Trends in the Vote

Summary of Financial Activity

	2014/15	2015/16	2016/17	2017/18	2018/19		2019/20			2020/21	2021/22	2022/23
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	1,890,079	1,932,355	1,963,700	2,047,398	2,174,378	2,156,555	2,316,094	746	2,316,840	2,359,861	2,371,081	2,356,083
Benefits or Related Expenses	128,975	118,445	115,048	114,489	125,587	117,885	N/A	111,243	111,243	106,513	102,051	97,494
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,966	329	16,496	1,116	9,938	9,938	-	2,028	2,028	2,028	2,028	2,028
Capital Expenditure	532,588	336,550	411,885	468,965	763,534	763,534	1,330,035	-	1,330,035	1,310,421	836,186	507,575
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	509,484	567,159	559,797	531,006	-	531,006	540,740	543,703	540,571
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	2,983,053	2,876,211	3,010,791	3,141,452	3,640,596	3,607,709	4,177,135	114,017	4,291,152	4,319,563	3,855,049	3,503,751
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

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

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

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

1.3 - Analysis of Significant Trends

Departmental Output Expenses

The increases in annual Departmental Output expenses between 2014/15 and 2022/23 are due to new funding as a result of the Defence Mid-Point Rebalancing Review, Defence White Paper 2016, and the Strategic Defence Policy Statement 2018 recommendations. The recommendations introduce into service new capabilities to enhance and maintain the outputs delivered by the New Zealand Defence Force.

Other major changes are due to new funding and expense transfers between years to enable the successful completion of the Defence Estate Regeneration and Consolidated Logistics Programmes, new funding for the increase in capital charge as a result of the acquisition of the Boeing P-8A Poseidon Aircraft for future air surveillance, and technical budget adjustments for movements in capital charge as a result of a decrease in the capital charge rate partially offset by increases as a result of the revaluation of assets.

Multi-Category Expenses and Capital Expenditure

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

Other Expenses appropriations are generally consistent. The 2016/17 other expense appropriations are higher than the general trend due to the impairment and write off of assets following the Kaikōura/Hurunui Earthquakes in November 2016. The 2018/19 other expense appropriations are higher than the general trend due to a forecast loss on sale on New Zealand Defence Force property as a result of a Treaty settlement.

Capital Expenditure

The capital expenditure appropriation between 2014/15 and 2022/23 reflects the agreed level of investment in the New Zealand Defence Force as a result of Defence Mid-Point Rebalancing Review, Defence White Paper 2016, and the Strategic Defence Policy Statement 2018 recommendations. This includes introducing new capabilities into service to enhance and maintain the delivery of outputs. The increases in expenditure in 2018/19, 2019/20, 2020/21 and 2021/22 are primarily a result of forecast expenditure for the replacement and refresh of aging Air and Maritime platforms.

Benefits or Related Expenses

The major movements in annual Benefits or Related Expenses appropriations between 2014/15 and 2022/23 are primarily due to an increase in demand for Veteran services and payments and the increasing cost of services.

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	857,524	852,976	907,237
Revenue from the Crown	851,430	851,430	905,263
Revenue from Others	1,974	1,974	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	2018/19		2019/20
	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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Generation of Air Force Capabilities to deliver Defence Policy	2019/20	-	6,730	6,599	6,499	6,499
Generation of People Capability to support delivery of Defence Policy	2019/20	-	1,740	1,740	1,740	1,740
Generation of Military Enablers to support delivery of Defence Policy	2019/20	-	1,398	1,317	1,317	1,317
Generation of Defence Estate to support delivery of Defence Policy	2019/20	-	2,447	2,447	2,447	2,447
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A	2018/19	16,465	27,223	49,863	60,880	50,373
Defence White Paper 2016 - Operating Funding	2018/19	5,055	29,204	29,204	29,204	29,204

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Defence White Paper 2016	2017/18	34,165	34,165	33,376	33,376	33,376
Underwater Intelligence, Surveillance and Reconnaissance equipment	2016/17	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	(438)	(438)	(438)	(438)	(438)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	21,814	21,814	21,814	21,814	21,814
New Digital Radios and Associated Equipment	2015/16	4,366	4,366	4,366	4,366	4,366

Reasons for Change in Appropriation

This appropriation increased by \$49.713 million to \$907.237 million for 2019/20. This increase between 2018/19 and 2019/20 relates to:

- increased funding of \$24.149 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service new capabilities to enhance and maintain the delivery of outputs
- increased funding of \$10.758 million for the increase in capital charge as a result of the acquisition of the Boeing P-8A Poseidon Aircraft for future air surveillance
- increased funding of \$6.730 million to, in line with the Strategic Defence Policy Statement 2018, sustain the generation of Air Force capabilities and achieve the levels of readiness as directed by Government
- increased funding of \$5.438 million 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 \$2.447 million to, in line with the Strategic Defence Policy Statement 2018, support the regeneration of the Defence Estate to support the delivery of Defence policy
- increased funding of \$1.740 million to, in line with the Strategic Defence Policy Statement 2018, enable targeted re-growth of personnel in critical military capabilities and maintain remuneration strategy in line with Defence Force policy
- increased funding of \$1.398 million to, in line with the Strategic Defence Policy Statement 2018, sustain a diverse range of Defence wide capabilities that are critical to enabling readiness for military operations and other tasks as directed by Government, and
- increased funding of \$1.173 million for capital charge as a result of the revaluation of assets.

This is partially offset by a decrease in the appropriation of \$4.120 million for the impairment of inventory in 2018/19 due to obsolescence, health and safety, and changes in capabilities.

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	862,038	857,058	916,039
Revenue from the Crown	856,183	856,183	915,156
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

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations.	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for 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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Generation of Military Enablers to support delivery of Defence Policy	2019/20	-	4,035	3,799	3,799	3,799
Generation of Defence Estate to support delivery of Defence Policy	2019/20	-	4,955	4,955	4,955	4,955
Generation of Army Capabilities to deliver Defence Policy	2019/20	-	2,715	2,073	2,073	2,073
Defence White Paper 2016 - Operating Initiative	2018/19	6,299	36,397	36,397	36,397	36,397
Previous Government						
Defence White Paper 2016	2017/18	42,519	42,519	41,535	41,535	41,535
Defence Force Logistics	2016/17	6,281	8,192	9,483	9,483	9,483
Counter Explosives Hazards	2016/17	4,338	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	(763)	(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

Reasons for Change in Appropriation

This appropriation increased by \$54.001 million to \$916.039 million for 2019/20. This increase between 2018/19 and 2019/20 relates to:

- increased funding of \$30.098 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service new capabilities to enhance and maintain the delivery of outputs
- increased funding of \$10 million 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 \$4.955 million to, in line with Strategic Defence Policy Statement 2018, support the regeneration of the Defence Estate to support the delivery of Defence Policy
- increased funding of \$4.604 million due to transfers from 2018/19 to future periods to support the delivery of the Consolidated Logistics Programme
- increased funding of \$4.035 million to, in line with the Strategic Defence Policy Statement 2018, sustain a diverse range of Defence wide capabilities that are critical to enabling readiness for military operations and other tasks as directed by Government

- increased funding of \$2.715 million to, in line with the Strategic Defence Policy Statement 2018, sustain the generation of Army Capabilities to achieve the levels of readiness as directed by Government
- increased funding of \$1.911 million for Modernising the Delivery of New Zealand Defence Force Logistics and its introduction into service, and
- increased funding of \$655,000 for capital charge as a result of the revaluation of assets.

This is partially offset by a decrease in the appropriation of \$4.972 million for the impairment of inventory in 2018/19 due to obsolescence, health and safety, and changes in capabilities.

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	454,070	445,775	492,818
Revenue from the Crown	448,670	448,670	491,495
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	2018/19		2019/20
	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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Generation of Navy Capabilities to deliver Defence Policy	2019/20	-	9,028	8,828	8,828	8,828
Generation of People Capability to support delivery of Defence Policy	2019/20	-	7,761	7,761	7,761	7,761
Generation of Defence Estate to support delivery of Defence Policy	2019/20	-	1,348	1,348	1,348	1,348
Generation of Military Enablers to support delivery of Defence Policy	2019/20	-	1,119	1,054	1,054	1,054
Defence White Paper 2016 - Operating Funding	2018/19	3,491	20,171	20,171	20,171	20,171

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Maritime Sustainment Capability	2020/21	-	-	22,359	22,359	22,359
Defence White Paper 2016	2017/18	22,173	22,173	21,660	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	(459)	(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

Reasons for Change in Appropriation

This appropriation increased by \$38.748 million to \$492.818 million for 2019/20. This increase between 2018/19 and 2019/20 relates to:

- increased funding of \$16.680 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service new capabilities to enhance and maintain the delivery of outputs
- increased funding of \$9.028 million to, in line with the Strategic Defence Policy Statement 2018, sustain the generation of Navy capabilities to achieve the levels of readiness for military operations as directed by Government
- increased funding of \$7.761 million to, in line with the Strategic Defence Policy Statement 2018, enable targeted re-growth of personnel in critical military capabilities and maintain the remuneration strategy in line with Defence Force policy
- increased funding of \$3.200 million as a result of a transfer from 2018/19 to 2016/17 to reflect the expected timeframe for the implementation of the Defence Frigate Systems Upgrade
- increased funding of \$3 million 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 \$1.348 million to, in line with the Strategic Defence Policy Statement 2018, support the regeneration of Defence Estate to support the delivery of Defence policy
- increased funding of \$1.119 million to, in line with Strategic Defence Policy Statement 2018, sustain a diverse range of Defence wide capabilities that are critical to enabling readiness for military operations and other tasks as directed by Government, and
- increased funding of \$689,000 for capital charge as a result of the revaluation of assets.

This is partially offset by:

- a decrease in the appropriation of \$4.077 million for the impairment of inventory in 2018/19 due to obsolescence, health and safety, and changes in capabilities.

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	755,254	755,254	1,312,285
Intangibles	8,280	8,280	17,750
Other	-	-	-
Total Appropriation	763,534	763,534	1,330,035

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

	2018/19		2019/20
	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 2020 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$566.501 million to \$1,330 million for 2019/20 to reflect the spending profile on major projects agreed in the Defence White Paper 2016 and in line with the Strategic Defence Policy Statement 2018.

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

Details of Net Asset Schedule	2018/19 Estimated Actual \$000	2019/20 Projected \$000	Explanation of Projected Movements in 2019/20
Opening Balance	6,731,209	7,095,080	
Capital Injections	363,871	568,567	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 2019/20 are for the purchase of P-8A Poseidon Aircraft for future air surveillance - \$419.682 million; Defence Frigate System Upgrade - \$71.964 million, Defence Estate Regeneration Programme - \$35.645 million; Defence Logistics Programme - \$27.507 million; Dive and Hydrographic vessel - \$13.031 million, and the Veterans' Affairs Payment and Rehabilitation Plan Management System - \$738,000.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	7,095,080	7,663,647	

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

	2018/19		2019/20
	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

	2018/19		2019/20
	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 for 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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,967	13,567	11,996

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 \$3.971 million to \$11.996 million for 2019/20. This decrease is due to a reduction in the demand for services partially offset by the increasing cost of medical treatment costs.

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	92	90	92

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	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Annuity payable to Recipients of Victoria Cross	2016/17	50	50	50	50	50

Conditions on Use of Appropriation

Reference	Conditions
Special Annuities 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 continuous 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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,226	14,426	14,675

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

	2018/19		2019/20
	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 for Veterans' Affairs in a report appended to the NZDF Annual Report.

Reasons for Change in Appropriation

This appropriation decreased by \$1.551 million to \$14.675 million in 2019/20. This decrease relates to a decline in the number of Veterans taking up the service and is partially offset by an increase in the cost of specialised services for an ageing client base.

Conditions on Use of Appropriation

Reference	Conditions
Cabinet Decisions	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 to 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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	93,302	89,802	84,480

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	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Manufacture and Installation of Headstones and Plaques	2016/17	375	355	355	355	355

Reasons for Change in Appropriation

This appropriation decreased by \$8.822 million to \$84.480 million for 2019/20. The decrease is due to a forecast reduction 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

	2018/19		2019/20
	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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,100	1,100	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.

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

	2018/19		2019/20
	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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	275	275	275

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted 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	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Grant Payment for Non-Government Organisations	2017/18	275	275	275	275	275

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	200	200	200

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted 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	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Previous Government						
Increased Support for Contributions to Veterans' Commemorative Activities	2016/17	200	200	200	200	200

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

4 - Multi-Category Expenses and Capital Expenditure

Advice to the Government (M22)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Policy Advice

This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.

Situational Awareness

This category is limited to the provision of effective military intelligence services to the Government in support of decision-making for the defence and security of New Zealand.

Supporting Ministers

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.

Expenses, Revenue and Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	13,645	13,634	16,288
Departmental Output Expenses			
Policy Advice	3,832	3,829	3,904
Situational Awareness	7,805	7,799	10,364
Supporting Ministers	2,008	2,006	2,020
Funding for Departmental Output Expenses			
Revenue from the Crown	13,645	13,645	16,288
Policy Advice	3,832	3,832	3,904
Situational Awareness	7,805	7,805	10,364
Supporting Ministers	2,008	2,008	2,020

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
The supply of high quality individual products, as shown in the tables below	Meet	Met	Meet

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

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of accurate, timely and responsive policy advice.			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the common satisfaction survey	At least 90%	At least 90%	See Note 1
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%	See Note 2
Situational Awareness			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support.			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes	Not less than 90%	Not less than 90%	Not less than 90%
Supporting Ministers			
This category is intended to achieve the provision of quality and timely support to Ministers.			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations	Not less than 90%	Not less than 90%	Not less than 90%

Note 1 - The Standard will be identified based on the revised Ministerial Satisfaction Survey and updated in Supplementary Estimates. All agencies are required to use the refined Ministerial Satisfaction Survey from 2019/20 to assess ministerial satisfaction with the policy service. The survey is currently under review and the refined survey and guidance will be released before 30 June 2019.

Note 2 - The standard will be identified based on the refreshed Policy Quality Framework and updated in Supplementary Estimates. All agencies are required to use the refreshed Policy Quality Framework from 2019/20 to assess the quality of their policy advice papers. The Policy Quality Framework is currently being refreshed. The refreshed Framework will be released before 30 June 2019.

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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Defence White Paper 2016 - Operating Funding	2018/19	553	3,194	3,194	3,194	3,194
Previous Government						
Defence White Paper 2016	2016/17	3,425	3,425	3,346	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	(8)	(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 \$2.643 million to \$16.288 million in 2019/20. This increase between 2018/19 and 2019/20 relates to:

- increased funding of \$2.641 million as a result of the Defence White Paper 2016 funding decisions to introduce into service new capabilities to enhance and maintain the delivery of outputs, and
- increased funding of \$2,000 for 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 single 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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	59,767	58,439	26,297
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	59,258	57,930	25,788
Military Operations that Contribute to Regional Security	509	509	509
Funding for Departmental Output Expenses			
Revenue from the Crown	58,872	58,872	25,988
Military Operations in Support of a Rules-Based International Order	58,408	58,408	25,524
Military Operations that Contribute to Regional Security	464	464	464
Revenue from Others	895	895	309
Military Operations in Support of a Rules-Based International Order	850	850	264
Military Operations that Contribute to Regional Security	45	45	45

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Operations Contributing to New Zealand's Security, Stability and Interests MCA			
Achieve the conduct of military operations and other tasks that support the Government's strategic interests	Meet	Met	Meet
Enhance all-of-government capacity to respond to regional crises	Meet	Met	Meet

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

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 2019)</i>			
Contribute to United Nations Mission UNTSO (Middle East) [Operation Scoria]	Meet	Met	Meet
Contribute to United Nations Mission UNMISS (South Sudan) [Operation Sudden]	Meet	Met	Meet
Contribute to UNCMAC (Republic of Korea) [Operation Monitor]	Meet	Met	Meet
<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 Ariki (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 Teal (Middle East)	Meet	Met	Meet

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Military Operations that Contribute to Regional Security			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed.	100%	100%	100%
Percentage of the agreed notice to move met for strategic airlift and sealift capabilities to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere.	100%	100%	100%
Percentage of the agreed notice to move met for a specialised, high-readiness task group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population.	100%	100%	100%

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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Deployment to United Nations, Multi-National and Middle East operations	2018/19	20,689	-	-	-	-
Deployment to United Nations operations	2017/18	600	-	-	-	-
Previous Government						
Deployments to United Nations and Middle East operations	2017/18	4,283	-	-	-	-
Deployments to the Middle East and South Sudan	2016/17	29	-	-	-	-
Defence Mid-Point Rebalancing Review - Funding	2016/17	704	704	704	704	704

Reasons for Change in Appropriation

This appropriation decreased by \$33.470 million to \$26.297 million for 2019/20. This decrease between 2018/19 and 2019/20 relates to:

- decreased funding of \$28.136 million for the successful completion in 2018/19 of NZDF's support, through the provision of training, security, engineering, and supervision, for United Nations and Multi-national force operations in Korea and across the Middle East
- decreased funding of \$4.748 million for the completion in 2019/20 of deployments to the Middle East for operations that support Maritime Security, and
- decreased funding of \$586,000 due to reductions in cost recoveries as a result of reduced services provided by NZDF to foreign militaries.

Policy Advice And Other Services For Veterans (M75)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Administration Services

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

Policy Advice

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

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

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,802	12,276	10,259
Departmental Output Expenses			
Administration Services	2,927	2,919	2,960
Policy Advice	230	229	230
Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)	6,250	2,750	-
Services and Payments to Veterans	6,395	6,378	7,069

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	15,802	15,802	10,259
Administration Services	2,927	2,927	2,960
Policy Advice	230	230	230
Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)	6,250	6,250	-
Services and Payments to Veterans	6,395	6,395	7,069

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

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Policy Advice and Other Services for Veterans MCA			
The satisfaction of veterans as expressed in the annual Veteran Survey rating of overall satisfaction with Veterans' Affairs 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	See Note 1

Note 1 - The Standard will be identified based on the revised Ministerial Satisfaction Survey and updated in the Supplementary Estimates. All agencies are required to use the refined Ministerial Satisfaction Survey from 2019/20 to assess ministerial satisfaction with the policy service. The survey is currently under review and the refined survey will be released before 30 June 2019.

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

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Administration Services			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision making) responsibilities, assisting with the coordination of commemorations and the provision of administration services to relevant boards and panels and contracts for work carried out in Services Cemeteries.			
<i>Provide Ministerial Servicing and Support:</i>			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
<i>Provide Administration support to Boards and Panels as set out in the Veterans' Support Act 2014</i>			
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
Policy Advice			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on Government policy matters relating to Veterans' Affairs.			
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%
Repatriation of New Zealanders Interred Overseas as a Result of a Military Burial: Te Auraki (The Return)			
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%	Ceased Activity

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Services and Payments to Veterans			
This category is intended to achieve the assessment, determination, review and appeal of entitlements and services to veterans and their spouses, children and dependants, provided for under the Veterans' Support Act 2014 (including grand-parented entitlements and services under the repealed War Pensions Act 1954 where claims were lodged before 7 December 2014), the assessment and review of eligibility for burial in Services Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management services for veterans and their families.			
Assessments and Reviews:			
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%
Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans:			
Provide Case Management:			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	95%	95%	95%
Within 13 weeks after Veterans' Affairs accepts a veteran's claim for entitlements under Scheme One or Two, Veterans' Affairs in association with the Rehabilitation Advisor must determine whether the veteran is likely to need social or vocational rehabilitation and if so prepare a rehabilitation plan in consultation with the veteran	100%	100%	100%
Deal with Enquiries:			
Calls will be resolved on first contact	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 2020 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Promoting and supporting the health and wellbeing of veterans and their families	2018/19	-	608	636	664	157
Repatriation of New Zealand service personnel buried overseas	2018/19	6,250	-	-	-	-
Defence White Paper 2016	2018/19	21	120	120	120	120
Previous Government						
Defence White Paper 2016	2017/18	248	248	243	243	243
Defence Mid-Point Rebalancing Review - Funding Track	2016/17	159	159	159	159	159

Reasons for Change in Appropriation

This appropriation decreased by \$5.543 million to \$10.259 million for 2019/20. This decrease between 2018/19 and 2019/20 relates to decreased funding of \$6.250 million as a result of the successful completion in 2018/19 of the repatriation of New Zealand service personnel buried overseas.

This is partially offset by:

- increased funding of \$608,000 to support the development of a modern and responsive service that promotes and supports the health and wellbeing of veterans and their families, and
- increased funding of \$99,000 as a result of the Defence White Paper 2016 funding decisions for the introduction into service new capabilities to enhance and maintain the delivery of outputs.

Protection of New Zealand and New Zealanders (M22)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

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

This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.

Defence International Engagement

This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.

Defence Support to the Community

This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.

Military Assistance to Civil Authorities in Non-Emergency Situations

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

Resource and Border Protection Operations

This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.

Expenses, Revenue and Capital Expenditure

	2018/19		2019/20
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	477,945	475,448	478,162
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	78,749	78,396	78,657
Defence International Engagement	99,534	99,470	101,968
Defence Support to the Community	51,249	51,011	52,670
Military Assistance to Civil Authorities in Non-Emergency Situations	36,239	36,165	37,043
Resource and Border Protection Operations	212,174	210,406	207,824
Funding for Departmental Output Expenses			
Revenue from the Crown	464,093	464,093	463,889
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	78,687	78,687	78,595
Defence International Engagement	96,093	96,093	98,527
Defence Support to the Community	42,278	42,278	42,447
Military Assistance to Civil Authorities in Non-Emergency Situations	36,239	36,239	37,043
Resource and Border Protection Operations	210,796	210,796	207,277
Revenue from Others	13,021	13,021	14,273
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	62	62	62
Defence International Engagement	3,441	3,441	3,441
Defence Support to the Community	8,971	8,971	10,223
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

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
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	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability	100%	100%	100%
Percentage of the levels of operational capability and readiness as directed met to generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the New Zealand Police	100%	100%	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance	100%	100%	100%
Percentage of agreed notice to move met for the specialised Explosive Ordnance Disposal Squadron to respond to requests to assist New Zealand Police operations	100%	100%	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations	100%	100%	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations.	100%	100%	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas	100%	100%	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand	100%	100%	100%

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of requests met to augment the capacity of Fire and Emergency New Zealand to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire	100%	100%	100%
Percentage of contingency plans in place to assist the civil power mitigate the effects of a maritime disaster and degradation of the marine environment	100%	100%	100%
Percentage of contingency plans in place to assist the civil power within the agreed notice to move to conduct aeromedical evacuation and medical rescue at sea at the Government's direction	100%	100%	100%
Subject to availability of resources, the percentage of requests met for specialised military capabilities to assist New Zealand Police operations to maintain law and order and public safety	100%	100%	100%
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
Defence International Engagement			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF	Meet	Met	Meet
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	100%	100%	100%
Percentage of approved Senior Officer visit 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%

Assessment of Performance	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
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
Defence Support to the Community			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
Percentage of 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%
Military Assistance to Civil Authorities in Non-Emergency Situations			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities.			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction	100%	100%	100%

	2018/19		2019/20
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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%
Resource and Border Protection Operations			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Percentage of information on maritime traffic, suitably adapted for civil needs, that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand	100%	100%	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total air surveillance response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of the total response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the NZDF's specialised military capabilities to support Antarctic New Zealand's operations in New Zealand and on the Antarctic continent, including contributions to the joint United States/New Zealand logistics pool to support New Zealand's right to sovereignty over the Ross Dependency and continuous presence on the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Foreign Affairs and Trade for the NZDF's provision of specialised military capabilities to support New Zealand's efforts to manage marine living resources on and about the Antarctic continent	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of total pre-planned tasks requested by the National Maritime Coordination Centre to conduct pre-planned missions to service the offshore islands and demonstrate New Zealand's sovereignty met	Not less than 90%	Not less than 90%	Not less than 90%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2020 to be presented in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2018/19 Final Budgeted \$000	2019/20 Budget \$000	2020/21 Estimated \$000	2021/22 Estimated \$000	2022/23 Estimated \$000
Current Government						
Generation of Defence Estate to support delivery of Defence Policy	2019/20	-	2,463	2,463	2,463	2,463
Generation of Military Enablers to support delivery of Defence Policy	2019/20	-	1,695	1,597	1,597	1,597
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A	2018/19	4,117	6,806	12,466	15,219	12,594
Deployment of an Inshore Patrol Vessel to Fiji	2017/18	926	-	-	-	-
Defence White Paper 2016 Operating Initiative	2018/19	2,261	13,060	13,060	13,060	13,060
Defence White Paper 2016 - Operating Funding	2017/18	12,510	12,510	12,219	12,219	12,219
Previous Government						
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	(475)	(475)	(475)	(475)	(475)
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	13,261	13,261	13,261	13,261	13,261

Reasons for Change in Appropriation

This appropriation increased by \$217,000 to \$478.162 million for 2019/20. This increase between 2018/19 and 2019/20 relates to:

- increased funding of \$10.799 million as a result of the Defence White Paper 2016 funding decisions for the introduction into service new capabilities to enhance and maintain the delivery of outputs
- increased funding of \$2.689 million for the increase in capital charge as a result of the acquisition of P-8A Poseidon Aircraft for future air surveillance
- increased funding of \$2.463 million to, in line with the Strategic Defence Policy Statement 2018, support the regeneration of the Defence Estate to support the delivery of Defence policy
- increased funding of \$1.987 million to expand the delivery of the Limited Service Volunteer Programme
- increased funding of \$1.695 million to, in line with the Strategic Defence Policy Statement 2018, sustain a diverse range of Defence wide capabilities that are critical to enabling readiness for military operations and other tasks as directed by Government, and
- increased funding of \$341,000 for capital charge as a result of the revaluation of assets.

This is partially offset by:

- decreased funding of \$18 million transferred to other appropriations as NZDF has adjusted how its funding is allocated to reflect the activities completed by NZDF to deliver outputs
- decreased funding of \$926,000 due to the completion of the deployment of an Inshore Patrol vessel to Fiji in 2019/20, and
- a decrease in the appropriation of \$831,000 for the impairment of inventory in 2018/19 due to obsolescence, health and safety, and changes in capabilities.