

Vote Defence Force

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

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

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Other Expenses			
Loss on Sale of Physical Assets (M22) (A27) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	-	7,260	7,260
Total Departmental Other Expenses	-	7,260	7,260
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) (A27) This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	1,087,873	(195,125)	892,748
Total Departmental Capital Expenditure	1,087,873	(195,125)	892,748
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) (A27) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	-	746
Total Non-Departmental Output Expenses	746	-	746
Non-Departmental Other Expenses			
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	-	203
Grant Payments to Non-Government Organisations (M75) (A27) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	-	275
Impairment of Debt for Benefits or Related Expenses (M75) (A27) This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.	250	-	250
Military Veterans Kaupapa Inquiry Claimant Costs (M22) (A27) This appropriation is limited to the costs of claimants, their witnesses and necessary support people to participate in the Wai 2500 Military Veterans Kaupapa Inquiry.	100	18	118
Service Cost - Veterans' Entitlements (M75) (A27) This appropriation is limited to the present value of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.	12,000	-	12,000
Support for Early Childhood Education Services Associated with Defence Bases (M22) (A27) This appropriation is limited to support for Early Childhood Education services whose ongoing operation is essential to the viability of Defence bases.	350	-	350

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Support for Vietnam Veterans (M75) (A27) This appropriation is limited to annual comprehensive medical assessments for Vietnam veterans, the monitoring of trends in the health and wellbeing of Vietnam veterans and providing this information to veterans, and ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions.	3,099	-	3,099
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	-	200
Total Non-Departmental Other Expenses	16,477	18	16,495
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) (A27) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	20,269	(2,616)	17,653
Departmental Output Expenses			
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.	4,449	(715)	3,734
<i>Situational Awareness</i> This category is limited to the provision of effective military intelligence services to the Government in support of decision-making for the defence and security of New Zealand.	13,364	(2,121)	11,243
<i>Supporting Ministers</i> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.	2,456	220	2,676
Defence Force Capabilities Prepared for Joint Operations and Other Tasks MCA (M22) (A27) The single overarching purpose of this appropriation is to generate Defence Force capabilities as directed by the Government of New Zealand.	3,273,592	(18,617)	3,254,975
Departmental Output Expenses			
<i>Air Force Capabilities Prepared for Joint Operations and Others Tasks</i> This category is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	1,187,346	17,418	1,204,764
<i>Army Capabilities Prepared for Joint Operations and Others Tasks</i> This category is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	1,238,737	18,171	1,256,908
<i>Navy Capabilities Prepared for Joint Operations and Others Tasks</i> This category is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	847,509	(54,206)	793,303

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27)	57,679	3,219	60,898
The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas and provision of military capabilities overseas at the Government's direction.			
Departmental Output Expenses			
<i>Military Capabilities in Support of a Rules-Based International Order</i>	142	(142)	-
This category is limited to the provision of military capabilities overseas, as directed by the Government of New Zealand.			
<i>Military Operations in Support of a Rules-Based International Order</i>	56,780	2,294	59,074
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.			
<i>Military Operations that Contribute to Regional Security</i>	757	1,067	1,824
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.			
Policy Advice And Other Services For Veterans MCA (M75) (A27)	14,742	4,022	18,764
The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.			
Departmental Output Expenses			
<i>Administration Services</i>	5,166	804	5,970
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.			
<i>Policy Advice</i>	230	161	391
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.			
<i>Services and Payments to Veterans</i>	9,346	3,057	12,403
This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.			
Protection of New Zealand and New Zealanders MCA (M22) (A27)	589,892	49,548	639,440
The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.			
Departmental Output Expenses			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i>	112,084	11,501	123,585
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.			
<i>Defence International Engagement</i>	136,656	(2,902)	133,754
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.			

Titles and Scopes of Appropriations by Appropriation Type	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<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.	65,247	5,308	70,555
<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.	57,340	7,073	64,413
<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.	218,565	28,568	247,133
Total Multi-Category Expenses and Capital Expenditure	3,956,174	35,556	3,991,730
Total Annual Appropriations and Forecast Permanent Appropriations	5,061,270	(152,291)	4,908,979

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Departmental Output Expenses		
Response to the sinking of the HMNZS Manawanui (M22) (A27) This appropriation is limited to costs incurred for the clean-up, salvage, and other remedial activities arising due to the sinking of the HMNZS Manawanui. Commences: 01 April 2025 Expires: 30 June 2028	Original Appropriation Adjustments to 2024/25 Adjustments for 2025/26 Adjusted Appropriation Actual to 2024/25 Year End Estimated Actual for 2025/26 Estimate for 2026/27 Estimated Appropriation Remaining	32,060 - 10,000 42,060 17,088 24,972 - -
Non-Departmental Other Expenses		
Unwind of Discount Rate - Veterans' Entitlements (M75) (A27) This appropriation is limited to the unwinding of the discount rate (interest expense) of the liability for the veterans' entitlements provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service. Commences: 01 July 2023 Expires: 30 June 2026	Original Appropriation Adjustments to 2024/25 Adjustments for 2025/26 Adjusted Appropriation Actual to 2024/25 Year End Estimated Actual for 2025/26 Estimate for 2026/27 Estimated Appropriation Remaining	317,000 113,000 (2,000) 428,000 298,000 130,000 - -

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

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	5,061,270	(152,291)	4,908,979
Total Forecast MYA Departmental Output Expenses	-	24,972	24,972
Total Forecast MYA Non-Departmental Other Expenses	132,000	(2,000)	130,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	5,193,270	(129,319)	5,063,951

Capital Injection Authorisations

	2025/26		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	164,521	84,218	248,739

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2025/26				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	746	24,972	-	24,972	25,718
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	148,477	7,260	(1,982)	5,278	153,755
Capital Expenditure	1,087,873	(195,125)	-	(195,125)	892,748
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	3,956,174	35,556	-	35,556	3,991,730
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	5,193,270	(127,337)	(1,982)	(129,319)	5,063,951
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	-	-	-

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

Response to the sinking of the HMNZS Manawanui (M22) (A27)

Scope of Appropriation and Expenses

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

Revenue

	Budget \$000
Revenue from the Crown to end of 2026/27	22,962
Revenue from Others to end of 2026/27	19,098
Total Revenue	42,060

Reasons for Change in Appropriation

This appropriation increased by \$10 million to \$42.060 million for 2025/26 due to a fiscally neutral adjustment within the Vote to ensure that response activities in-progress following the sinking of the HMNZS MANAWANUI are able to continue.

2.2 - Departmental Other Expenses

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

Scope of Appropriation

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

Expenses

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,260	7,260

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 and End of Year Reporting Requirements

	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Expenditure reflects the loss on sale of certain New Zealand Defence Force commercial properties	-	Meet	Meet

End of Year Performance Reporting

Performance will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2026 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$7.260 million due to an expense transfer from 2024/25.

2.3 - Departmental Capital Expenditure and Capital Injections

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

Scope of Appropriation

This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.

Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,079,123	(222,873)	856,250
Intangibles	8,750	27,748	36,498
Other	-	-	-
Total Appropriation	1,087,873	(195,125)	892,748

Reasons for Change in Appropriation

This appropriation decreased \$195.125 million to \$892.748 million for 2025/26 due to the re-phasing of capital projects and a change to the forecasted timing for Foreign Military Sales disbursements relating to Air Surveillance Maritime Patrol and Future Air Mobility Capability. The Ministry of Defence have signalled an expectation that funds will now be disbursed over a number of future years.

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

Details of Net Asset Schedule	2025/26 Main Estimates Projections \$000	2025/26 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2025/26
Opening Balance	11,574,836	12,024,580	Supplementary Estimates opening balance reflects the audited results as at 30 June 2025.
Capital Injections	164,521	248,739	Capital Injections of \$84.218 million relate to: \$40.305 million for Foreign Currency Impacts on Defence Equipment Procurement, \$18.747 million for the Regional Supply Facility and Logistics Model at Burnham Military Camp, \$6.279 million for the Boeing 757 Aircraft Replacement, \$4.469 million for the Bushmaster Communications Project, \$4.126 million for the Cyber Security and Support Capability Programme, \$4 million for the Maritime Helicopter Replacement Programme, \$2.702 million for the Network Enabled Army Programme, \$2.174 million for the Information Management Programme, and \$1.416 million for the NZDF Waiouru Housing Programme.
Capital Withdrawals	(9,439)	(9,439)	Capital Withdrawal in 2025/26 relating to C130J Simulator through Life Support Contract, Capital to Operating swap (\$9.439 million).
Surplus to be Retained (Deficit Incurred)	-	(9,290)	Adjustment to Revenue following the HMNZS Manawanui MYA baseline rollover.
Other Movements	-	42,774	Movement due to asset revaluations.
Closing Balance	11,729,918	12,297,364	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

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

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation increased by \$18,000 to \$118,000 in 2025/26 due to an expense transfer from 2024/25.

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

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Unwind of Discount Rate - Veterans' Entitlements (M75) (A27) This appropriation is limited to the unwinding of the discount rate (interest expense) of the liability for the veterans' entitlements provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service. Commences: 01 July 2023 Expires: 30 June 2026	Original Appropriation	317,000
	Adjustments to 2024/25	113,000
	Adjustments for 2025/26	(2,000)
	Adjusted Appropriation	428,000
	Actual to 2024/25 Year End	298,000
	Estimated Actual for 2025/26	130,000
	Estimate for 2026/27	-
	Estimated Appropriation Remaining	-

Reasons for Change in Appropriation

This appropriation decreased by \$2 million to \$428 million for 2025/26 to reflect the decrease in the Risk-Free Forward Discount Rates.

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

4 - Multi-Category Expenses and Capital Expenditure

Advice to the Government (M22) (A27)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Policy Advice

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

Situational Awareness

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

Supporting Ministers

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

Expenses, Revenue and Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	20,269	(2,616)	17,653
Departmental Output Expenses			
Policy Advice	4,449	(715)	3,734
Situational Awareness	13,364	(2,121)	11,243
Supporting Ministers	2,456	220	2,676
Funding for Departmental Output Expenses			
Revenue from the Crown	20,228	(2,616)	17,612
Policy Advice	4,438	(715)	3,723
Situational Awareness	13,342	(2,121)	11,221
Supporting Ministers	2,448	220	2,668

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Revenue from Others	41	-	41
Policy Advice	11	-	11
Situational Awareness	22	-	22
Supporting Ministers	8	-	8

Reasons for Change in Appropriation

This appropriation decreased by \$2.616 million to \$17.653 million for 2025/26 due to:

- \$4 million as a result of a fiscally neutral adjustment within the Vote to align appropriations to the delivery of outputs, and
- \$11,000 due to an expense transfer from 2025/26 for the Workforce Strategy Programme.

This is partially offset by:

- \$1.060 million for the design, procurement and management activities for the commencement of the Information Management Programme
- \$331,000 for Modernising Devices and Productivity tools, and
- \$4,000 as a result of an increase in Capital Charge funding following the revaluation of assets as at 30 June 2025.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Air Force Capabilities Prepared for Joint Operations and Others Tasks

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

Army Capabilities Prepared for Joint Operations and Others Tasks

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

Navy Capabilities Prepared for Joint Operations and Others Tasks

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

Expenses, Revenue and Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	3,273,592	(18,617)	3,254,975
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Others Tasks	1,187,346	17,418	1,204,764
Army Capabilities Prepared for Joint Operations and Others Tasks	1,238,737	18,171	1,256,908
Navy Capabilities Prepared for Joint Operations and Others Tasks	847,509	(54,206)	793,303
Funding for Departmental Output Expenses			
Revenue from the Crown	3,232,115	(20,301)	3,211,814
Air Force Capabilities Prepared for Joint Operations and Others Tasks	1,173,830	17,418	1,191,248
Army Capabilities Prepared for Joint Operations and Others Tasks	1,219,372	16,637	1,236,009
Navy Capabilities Prepared for Joint Operations and Others Tasks	838,913	(54,356)	784,557
Revenue from Others	41,477	1,684	43,161
Air Force Capabilities Prepared for Joint Operations and Others Tasks	13,516	-	13,516
Army Capabilities Prepared for Joint Operations and Others Tasks	19,365	1,534	20,899
Navy Capabilities Prepared for Joint Operations and Others Tasks	8,596	150	8,746

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

	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Others Tasks			
This category is intended to achieve Government directed readiness levels for Air Force capabilities.			
Percentage of Government directed readiness achieved and maintained to deliver Space Domain Awareness operations in coordination with security partners to find, fix, track and assess threats in the Space domain to protect critical space infrastructure the NZDF and partners rely on for operational effectiveness and national strategic interests	New Measure	100%	100%

Assessment of Performance	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of Government directed readiness achieved and maintained to deliver Space Domain Awareness and subject matter expert advice to the NZDF and other government agencies to support deployed operations and responses to regional crisis in space	New Measure	100%	100%

New measures have been added to cover the permanent establishment of a Space Domain Awareness capability within the NZDF.

Reasons for Change in Appropriation

This appropriation decreased by \$18.617 million to \$3,254.975 million for 2025/26 due to:

- \$49.717 million as a result of a fiscally neutral adjustment within the Vote to align appropriations to the delivery of outputs
- \$10 million as a result of a fiscally neutral adjustment to another Vote for New Zealand's support for Ukraine, and
- \$2.301 million for an expense transfer from 2025/26 for the Workforce Strategy Programme.

This is partially offset by:

- \$17.972 million as a result of an increase in Capital Charge funding following the revaluation of assets as at 30 June 2025
- \$9.479 million for implementation of the Future Enterprise Resource Planning Programme
- \$8.378 million for Modernising Devices and Productivity tools
- \$2.735 million for the Cyber Security and Support Capability Programme
- \$1.415 million for the implementation of the Bushmaster Communications Project
- \$1.101 million for the design, procurement and management activities for the commencement of the Information Management Programme
- \$700,000 due to an expense transfer from 2024/25 for Exercise Diamond Strike, a joint exercise with the Australian Defence Force
- \$543,000 for implementation of the Waioru Housing Development
- \$456,000 for implementation of the Network Enabled Army Project
- \$399,000 for upgrading the Regional Supply Facility and Logistics Model at Burnham Military Camp
- \$150,000 as a result of revenue received for repair and maintenance costs for an Unscrewed Surface Vessel, and
- \$73,000 for the Boeing 757 Aircraft Replacement Project.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Military Capabilities in Support of a Rules-Based International Order

This category is limited to the provision of military capabilities overseas, as directed by the Government of New Zealand.

Military Operations in Support of a Rules-Based International Order

This category is limited to the costs of generating operational military capabilities and the employment of the New Zealand Armed Forces for the conduct of operations, as directed by the Government.

Military Operations that Contribute to Regional Security

This category is limited to the costs of providing specialised support to all-of-government efforts to maintain security and stability in New Zealand's immediate neighbourhood including responses to events that impact on the safety and wellbeing of regional populations, as directed by the Government.

Expenses, Revenue and Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	57,679	3,219	60,898
Departmental Output Expenses			
Military Capabilities in Support of a Rules-Based International Order	142	(142)	-
Military Operations in Support of a Rules-Based International Order	56,780	2,294	59,074
Military Operations that Contribute to Regional Security	757	1,067	1,824
Funding for Departmental Output Expenses			
Revenue from the Crown	57,270	3,219	60,489
Military Capabilities in Support of a Rules-Based International Order	142	(142)	-
Military Operations in Support of a Rules-Based International Order	56,516	2,294	58,810
Military Operations that Contribute to Regional Security	612	1,067	1,679
Revenue from Others	409	-	409
Military Operations in Support of a Rules-Based International Order	264	-	264
Military Operations that Contribute to Regional Security	145	-	145

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

Assessment of Performance	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Departmental Output Expenses			
Military Capabilities in Support of a Rules-Based International Order			
This category is intended to achieve the provision of military capabilities overseas, as directed by the government of New Zealand.			
Expenditure supports the delivery of command and intelligence support (see Note 1)	Meet	Measure Removed	Measure Removed
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>The conduct of military operations and other tasks that support the Government's strategic interests</i>			
Lead and contribute to military operations and other tasks that contribute to the deterrence of malign activity counter to New Zealand's interests (see Note 2)	New Measure	Meet	Meet

Note 1 - Measure removed as no funding has been incurred against this category.

Note 2 - New measure has been added to better enable the funding and monitoring of operations and activities that have a deliberate deterrent effect to maintain alignment with Defence policy intent.

Reasons for Change in Appropriation

This appropriation increased by \$3.219 million to \$60.898 million for 2025/26 due to:

- \$3.500 million as a result of a fiscally neutral adjustment within the Vote to align appropriations to the delivery of outputs, and
- \$1,000 as a result of an increase in Capital Charge funding following the revaluation of assets as at 30 June 2025.

This is partially offset by:

- \$282,000 as a result of a fiscally neutral adjustment to another Vote to support NZ Government initiatives.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Administration Services

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

Policy Advice

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

Services and Payments to Veterans

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

Expenses, Revenue and Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	14,742	4,022	18,764
Departmental Output Expenses			
Administration Services	5,166	804	5,970
Policy Advice	230	161	391
Services and Payments to Veterans	9,346	3,057	12,403
Funding for Departmental Output Expenses			
Revenue from the Crown	14,742	4,022	18,764
Administration Services	5,166	804	5,970
Policy Advice	230	161	391
Services and Payments to Veterans	9,346	3,057	12,403

Reasons for Change in Appropriation

This appropriation increased by \$4.022 million to \$18.764 million for 2025/26 due to:

- \$4 million as a result of a fiscally neutral adjustment within the Vote to align appropriations to the delivery of outputs, and
- \$22,000 as a result of an increase in Capital Charge funding following the revaluation of assets as at 30 June 2025.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

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

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

Defence International Engagement

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

Defence Support to the Community

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

Military Assistance to Civil Authorities in Non-Emergency Situations

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

Resource and Border Protection Operations

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

Expenses, Revenue and Capital Expenditure

	2025/26		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	589,892	49,548	639,440
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	112,084	11,501	123,585
Defence International Engagement	136,656	(2,902)	133,754
Defence Support to the Community	65,247	5,308	70,555
Military Assistance to Civil Authorities in Non-Emergency Situations	57,340	7,073	64,413
Resource and Border Protection Operations	218,565	28,568	247,133
Funding for Departmental Output Expenses			
Revenue from the Crown	563,690	47,939	611,629
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	110,484	11,501	121,985
Defence International Engagement	128,635	(5,252)	123,383
Defence Support to the Community	52,986	6,049	59,035
Military Assistance to Civil Authorities in Non-Emergency Situations	56,322	7,073	63,395
Resource and Border Protection Operations	215,263	28,568	243,831
Revenue from Others	26,202	1,609	27,811
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	-	1,600
Defence International Engagement	8,021	2,350	10,371
Defence Support to the Community	12,261	(741)	11,520
Military Assistance to Civil Authorities in Non-Emergency Situations	1,018	-	1,018
Resource and Border Protection Operations	3,302	-	3,302

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

Assessment of Performance	2025/26		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Departmental Output Expenses			
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 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 (see Note 1)	Not less than 90%	Measure Removed	Measure Removed
Percentage of completion of agreed support to significant national and local events that benefit the community through the provision of services at hui of significance and national and local events including ceremonial and military displays that contribute to the success of the occasion and enhances the identity and professional reputation of the NZDF (see Note 2)	New Measure	Not less than 90%	Not less than 90%
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 (see Note 3)	100%	Measure Removed	Measure Removed
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 (see Note 4)	Not less than 90%	Measure Removed	Measure Removed
Percentage of response tasks Air surveillance capabilities are available to meet the National Maritime Coordination Centre requirements to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met (see Note 5)	New Measure	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 (see Note 4)	Not less than 90%	Measure Removed	Measure Removed
Percentage of response tasks Maritime security force capabilities are available to meet the National Maritime Coordination Centre requirements to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met (see Note 5)	New Measure	Not less than 90%	Not less than 90%

Note 1 - Satisfaction measure removed and replaced with a new measure.

Note 2 - New measure based on completion of activity as a more objective measure of delivery.

Note 3 - Measure removed as this capability is provided commercially as of March 2025.

Note 4 - Measure replaced with updated wording.

Note 5 - New measure with updated wording removing reference to "notice to move".

Reasons for Change in Appropriation

This appropriation increased by \$49.548 million to \$639.440 million in 2025/26 due to:

- \$37.895 million as a result of a fiscally neutral adjustment within the Vote to align appropriations to the delivery of outputs
- \$3.455 million for Pacific Development Leadership Centres
- \$3.019 million for implementation of the Future Enterprise Resource Planning Programme
- \$2.893 million as a result of an increase in Capital Charge funding following the revaluation of assets as at 30 June 2025
- \$2.314 million for Modernising Devices and Productivity tools to invest and support uplift in Defence's digital capability
- \$2.206 million as the result of a fiscally neutral adjustment to fund Exercise Tropic Twilight in the Waiouru Training Area
- \$70,000 for upgrading the Regional Supply Facility and Logistics Model at Burnham Military Camp, and
- \$5,000 for the Boeing 757 Aircraft Replacement Project.

This is partially offset by:

- \$1.368 million as a result of an expense transfer from 2025/26 for the IT for NZDF offshore posts, and the Workforce Strategy Programme
- \$741,000 as a result of a fiscally neutral adjustment to another Vote for the Limited Services Volunteer Programme, and
- \$200,000 for the Crown's contribution to the Liberation Museum at Le Quesnoy.