

Vote Defence Force

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

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

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Overview of the Vote

The appropriations within Vote Defence Force total \$4,287 million for the 2021/22 financial year with the Minister of Defence responsible for \$4,214 million and the Minister for Veterans' Affairs responsible for \$73 million. Vote Defence Force includes \$2,372 million for Departmental Output Expenses and \$677 million for Multi-Category Appropriations (MCA) for the delivery of outputs. The Vote also includes \$1,165 million for capital expenditure, and \$673 million for capital injections, for the purchase and regeneration of capabilities and platforms that enhance and maintain the delivery of outputs. An additional \$63 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 \$4,214 million for the 2021/22 financial year.

This includes \$3,049 million for Departmental Output Expenses covering the following:

- a total of \$2,372 million on Air (\$986 million), Army (\$886 million) and Navy (\$500 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 \$677 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, \$61 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2021/22. The remainder is funded by Revenue Crown.

There is a capital expenditure appropriation of \$1,165 million for the purchase of assets.

The Minister of Defence is also responsible for a capital injection of \$673 million to the New Zealand Defence Force.

The Minister for Veterans is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling \$73 million for the 2021/22 financial year.

This includes \$10 million for a Multi-Category Appropriation (MCA) for Policy Advice and Other Services for Veterans, and \$63 million of Non-Departmental Expenditure for the provision of 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	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	965,764	954,457	985,297
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	885,994	867,989	886,062
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	499,784	493,882	500,253
Total Departmental Output Expenses	2,351,542	2,316,328	2,371,612
Departmental Other Expenses			
Loss on Sale of Physical Assets (M22) (A27) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	7,260	-	-
Total Departmental Other Expenses	7,260	-	-
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) (A27) This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	856,395	856,395	1,164,711
Total Departmental Capital Expenditure	856,395	856,395	1,164,711
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) (A27) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	746
Total Non-Departmental Output Expenses	746	746	746
Non-Departmental Other Expenses			
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	203	203
Grant Payments to Non-Government Organisations (M75) (A27) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	2,805	2,805	275
Impairment of Debt for Benefits or Related Expenses (M75) (A27) This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.	250	250	250

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
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.	98,904	98,904	20,000
Support for Vietnam Veterans (M75) (A27) This appropriation is limited to annual comprehensive medical assessments for Vietnam veterans, the monitoring of trends in the health and wellbeing of Vietnam veterans and providing this information to veterans, and ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions.	1,100	1,100	1,100
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.	40,000	40,000	40,000
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	200	200
Total Non-Departmental Other Expenses	143,462	143,462	62,028
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) (A27) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	17,168	17,021	17,208
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.	3,889	3,848	3,900
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.	11,268	11,192	11,289
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.	2,011	1,981	2,019
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27) The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.	30,795	22,895	30,795
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.	30,286	22,386	30,286
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

Titles and Scopes of Appropriations by Appropriation Type	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Policy Advice And Other Services For Veterans MCA (M75) (A27)	10,424	10,424	10,447
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>	2,889	2,889	2,884
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	230	230
This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.			
<i>Services and Payments to Veterans</i>	7,305	7,305	7,333
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)	605,249	599,810	629,091
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>	185,114	183,968	199,312
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>	101,183	100,736	107,080
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.			
<i>Defence Support to the Community</i>	59,024	58,126	59,454
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.			
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i>	38,834	38,497	38,894
This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.			
<i>Resource and Border Protection Operations</i>	221,094	218,483	224,351
This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Total Multi-Category Expenses and Capital Expenditure	663,636	650,150	687,541
Total Annual Appropriations and Forecast Permanent Appropriations	4,023,041	3,967,081	4,286,638

Capital Injection Authorisations

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	471,740	471,740	673,016

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Veterans Health Connect	Policy Advice And Other Services For Veterans Departmental Output Expense (MCA)	200	200	200	200	200
Future Air Mobility Capability	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	2,501	5,323	10,717	30,401	100,725
	Capital Injection Capital Injection	30,097	77,416	153,224	605,277	33,197
	Total	32,598	82,739	163,941	635,678	133,922
Enterprise Cloud	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	1,080	1,080	1,080	1,080	1,080
Operational and Regulatory Aviation Compliance Sustainment	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	-	-	702	1,400
Protected Vehicle - Medium Procurement	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	-	2,379	5,771	5,771
Ōhakea Community Water Supply Proposal	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	200	200	200	200
Delivering the 'Shovel Ready' Infrastructure Projects	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	3,900	-	-	-	-
Consolidated Logistics Project	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	(1,000)	3,287	2,910	2,432
State Sector Decarbonisation	Capital Injection Capital Injection	3,840	-	-	-	-
Defence Estate Regeneration Programme: Ōhakea Infrastructure	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	128	128	128	128

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Grant to Royal New Zealand Returned and Services Association	Grant Payments to Non-Government Organisations Non-Departmental Other Expenses	2,530	-	-	-	-
Veterans' Support Entitlement Obligation	Service Cost - Veterans' Entitlements Non-Departmental Other Expenses	78,904	-	-	-	-
Total initiatives		123,052	83,347	171,215	646,669	145,133

1.2 - Trends in the Vote

Summary of Financial Activity

	2016/17	2017/18	2018/19	2019/20	2020/21		2021/22			2022/23	2023/24	2024/25
	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	1,982,210	2,065,838	2,173,246	2,289,018	2,352,288	2,317,074	2,371,612	746	2,372,358	2,496,102	2,589,032	2,657,437
Benefits or Related Expenses	115,048	114,489	113,906	86,709	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	16,496	1,116	2,214	3,199,354	150,722	143,462	-	62,028	62,028	67,028	72,028	72,028
Capital Expenditure	411,885	468,965	722,045	484,392	856,395	856,395	1,164,711	-	1,164,711	1,374,184	1,365,809	744,478
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	509,079	514,661	554,518	552,640	663,636	650,150	687,541	-	687,541	572,593	584,052	584,014
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	3,034,718	3,165,069	3,565,929	6,612,113	4,023,041	3,967,081	4,223,864	62,774	4,286,638	4,509,907	4,610,921	4,057,957
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 2016/17 and 2024/25 are due to new funding as a result of the Defence Mid-Point Rebalancing Review, Defence White Paper 2016, the Strategic Defence Policy Statement 2018, the Defence Capability Plan Review 2019, and the 2020 Baseline Review 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 components 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. The increase in 2020/21 is a result of the New Zealand Defence Force's delivery of isolation facilities and border services in support of the Government's response to the COVID-19 pandemic.

Other Expenses

The other expense appropriations are higher in 2016/17 than the general trend due to the impairment and write off of assets following the Kaikōura/ Hurunui Earthquakes in November 2016 and in 2019/20 due to a forecast loss on sale of \$7.260 million on New Zealand Defence Force property as a result of a Treaty settlement, a one off expense of \$3,184 million to recognise the total future liability of Veterans' Entitlements as a result of a change in the accounting treatment, and the creation of two new other expenses appropriations of \$14,250 related to the liability. These new appropriations for service costs and unwind of the discount rate result in the increase in expenses forecast for future years.

Capital Expenditure

The capital expenditure appropriation between 2016/17 and 2024/25 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, the Strategic Defence Policy Statement 2018, and the Defence Capability Plan Review 2019 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 the New Zealand Defence Force's aging Air and Maritime platforms.

Benefits or Related Expenses

The major movements in annual Benefits or Related Expenses appropriations between 2016/17 and 2018/19 are primarily due to an increase in demand for Veteran services and payments and the increasing cost of services. During the 2019/20 year these appropriations were discontinued following a change in the accounting treatment of Veterans' Entitlements.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	965,764	954,457	985,297
Revenue from the Crown	956,183	956,183	975,716
Revenue from Others	9,581	9,581	9,581

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
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	95%	95%	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	85%	85%	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 2022 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Future Air Mobility Capability	2020/21	2,501	5,323	10,717	30,401	100,725
Delivering on the Strategic Defence Policy Statement 2018	2020/21	48,166	55,243	56,268	56,249	56,249
Security Capability Programme	2020/21	720	1,120	1,120	1,120	1,120
Generation of Air Force Capabilities to deliver Defence Policy	2019/20	6,599	6,499	6,499	6,499	6,499
Generation of People Capability to support delivery of Defence Policy	2019/20	1,740	1,740	1,740	1,740	1,740
Generation of Military Enablers to support delivery of Defence Policy	2019/20	1,317	1,317	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	2,447
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A	2018/19	49,863	60,880	50,373	120,461	122,778
Defence White Paper 2016 - Operating Funding	2018/19	29,204	29,204	29,204	29,204	29,204
Previous National-led Government						
Defence White Paper 2016 - Operating Funding	2017/18	33,376	33,376	33,376	33,376	33,376

Reasons for Change in Appropriation

This appropriation increased by \$19.533 million to \$985.297 million for 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$11.017 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 \$7.077 million to support delivery of the Strategic Defence Policy Statement 2018 by providing for military outputs at levels required to meet Government policy and capability priorities
- increased funding of \$3.465 million for operating funding previously transferred to capital funding in recognition of labour incurred on capital projects
- increased funding of \$2.822 million as a result of the acquisition, implementation and operation of the Future Air Mobility Capability
- increased funding of \$800,000 for relocation of P-8A Poseidon aircraft related personnel
- increased funding of \$521,000 for operating funding previously transferred to capital funding for maintenance expenditure which has resulted in asset improvement
- increased funding of \$400,000 for the delivery of improvements to the NZDF's security capability
- increased funding of \$200,000 for Ōhakea community water supply, and
- increased funding of \$128,000 for Ōhakea Infrastructure Programme - Tranche 1.

This is partially offset by:

- decreased funding of \$2.479 million for the reduction in the capital charge rate
- decreased funding of \$2.420 million for maintenance and acquisitions needed to ensure that capabilities meet operational readiness requirements that was deferred as a result of the COVID-19 global pandemic
- decreased funding of \$998,000 for Defence Force Estate Project delayed as a result the unavailability of strategic partners and restrictions on activities due to the COVID-19 global pandemic
- decreased funding of \$900,000 that was transferred in 2020/21 for delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic, and
- decreased funding of \$100,000 for sustaining the generation of Air Force capabilities and achieve the levels of readiness, in line with the Strategic Defence Policy Statement 2018, as directed by Government.

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	885,994	867,989	886,062
Revenue from the Crown	869,893	869,893	869,961
Revenue from Others	16,101	16,101	16,101

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the following:

- Special Operations Forces prepared for theatre-level special operations to prevent terrorism and asymmetric threats reaching New Zealand's sovereign territory and those territories for which New Zealand has a strategic interest
- a combined arms land combat capability prepared to conduct global complex warfighting operations in a mid-intensity environment within a coalition in order to deter an aggressor from engaging in hostile activities
- a combined arms land combat capability prepared to lead regional stabilisation operations, support a host nation to protect the population, assist with the restoration of law and order and attend to the immediate humanitarian needs of the people, and
- a designated high-readiness land combat capability prepared to respond to regional crises.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for global complex warfighting operations	0%	0%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations	33%	33%	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 2022 to be presented to the House.

Note - The reduction in the Estimated Actual performance for the end of 2020/21 for land combat capabilities prepared for global complex warfighting and regional stabilisation operations in the table above, reflects the deployment of personnel in support of the All-of-Government response to the COVID-19 pandemic.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Protected Vehicle - Medium Procurement	2022/23	-	-	2,379	5,771	5,771
Delivering on the Strategic Defence Policy Statement 2018	2021/22	-	48,962	60,262	67,937	72,168
Security Capability Programme	2021/22	-	720	1,120	1,120	1,120
Enterprise Cloud and Enterprise Connectivity	2020/21	1,080	1,080	1,080	1,080	1,080
Delivering the 'Shovel Ready' Infrastructure Projects	2020/21	3,900	-	-	-	-
Generation of Military Enablers to support delivery of Defence Policy	2019/20	4,035	3,799	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	4,955
Generation of Army Capabilities to deliver Defence Policy	2019/20	2,073	2,073	2,073	2,073	2,073
Defence White Paper 2016 - Operating initiative	2018/19	36,397	36,397	36,397	36,397	36,397
Previous National-led Government						
Defence White Paper 2016	2017/18	41,535	41,535	41,535	41,535	41,535

Reasons for Change in Appropriation

This appropriation increased by \$68,000 to \$886.062 million for 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$11.300 million to support delivery of the Strategic Defence Policy Statement 2018 by providing for military outputs at levels required to meet Government policy and capability priorities
- increased funding of \$5.518 million for operating funding previously transferred to capital funding in recognition of labour incurred on capital projects
- increased funding of \$3.284 million for delivery of the Consolidated Logistics Programme
- increased funding of \$844,000 for operating funding previously transferred to capital funding for maintenance expenditure which has resulted in asset improvement
- increased funding of \$486,000 for the delivery and implementation of Tranche 2 of the Network Enabled Army Programme, and
- increased funding of \$400,000 for the delivery of improvements to the NZDF's security capability.

This is partially offset by:

- decreased funding of \$10.400 million that was transferred in 2020/21 for delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic
- decreased funding of \$3.981 million for Modernising the Delivery of New Zealand Defence Force Logistics and its introduction into service
- decreased funding of \$3.900 million for delivery of 'Shovel Ready' Infrastructure in 2020/21
- decreased \$1.767 million for the reduction in the capital charge rate
- decreased funding of \$870,000 for capability projects deferred due to the unavailability of strategic partners and restrictions on activities due to the COVID-19 global pandemic
- decreased funding of \$430,000 for maintenance and acquisitions needed to ensure that capabilities meet operational readiness requirements that was deferred as a result of the COVID-19 global pandemic, and
- decreased of funding of \$416,000 for Defence Force Estate Project delayed as a result the unavailability of strategic partners and restrictions on activities due to the COVID-19 global pandemic.

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	499,784	493,882	500,253
Revenue from the Crown	492,735	492,735	493,204
Revenue from Others	7,049	7,049	7,049

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	2020/21		2021/22
	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	58%	58%	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 2022 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Delivering on the Strategic Defence Policy Statement 2018	2021/22	-	44,338	49,875	52,233	54,612
Security Capability Programme	2021/22	-	360	560	560	560
Generation of Navy Capabilities to deliver Defence Policy	2019/20	8,828	8,828	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	7,761
Generation of Defence Estate to support delivery of Defence Policy	2019/20	1,348	1,348	1,348	1,348	1,348
Generation of Military Enablers to support delivery of Defence Policy	2019/20	1,054	1,054	1,054	1,054	1,054
Defence White Paper 2016 - Operating Funding	2018/19	20,171	20,171	20,171	20,171	20,171
Previous National-led Government						
Maritime Sustainment Capability	2020/21	22,359	22,359	22,359	22,359	22,359
Defence White Paper 2016	2017/18	21,660	21,660	21,660	21,660	21,660

Reasons for Change in Appropriation

This appropriation increased by \$469,000 to \$500.253 million for 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$5.537 million to support delivery of the Strategic Defence Policy Statement 2018 by providing for military outputs at levels required to meet Government policy and capability priorities
- increased funding of \$1.809 million for operating funding previously transferred to capital funding in recognition of labour incurred on capital projects, and
- increased funding of \$200,000 for the delivery of improvements to the NZDF's security capability.

This is partially offset by:

- decreased funding of \$2.600 million that was transferred in 2020/21 for delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic
- decreased funding of \$1.329 million for maintenance and acquisitions needed to ensure that capabilities meet operational readiness requirements that was deferred as a result of the COVID-19 global pandemic
- decreased funding of \$1.268 million for the reduction in the capital charge rate
- decreased funding of \$1.005 million for Defence Force Estate Project delayed as a result the unavailability of strategic partners and restrictions on activities due to the COVID-19 global pandemic, and
- decreased funding of \$875,000 for capability projects deferred due to the unavailability of strategic partners and restrictions on activities due to the COVID-19 global pandemic.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	843,419	843,419	1,153,182
Intangibles	12,976	12,976	11,529
Other	-	-	-
Total Appropriation	856,395	856,395	1,164,711

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure supports the delivery of the department's output performance measures in accordance with the Defence Mid-Point Rebalancing Review, 2016 Defence White Paper and the Defence Capability Plan Review 2019.	Achieved	Achieved	Achieved

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2022 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$308.316 million to \$1,164.711 million for 2021/22 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 and the Defence Capability Plan Review 2019.

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

Details of Net Asset Schedule	2020/21 Estimated Actual \$000	2021/22 Projected \$000	Explanation of Projected Movements in 2021/22
Opening Balance	7,741,146	8,252,764	
Capital Injections	471,740	673,016	Capital injections are for projects to enhance and maintain the capability of the New Zealand Defence Force in line with the Defence White Paper 2016, the Defence Strategic Policy Statement 2018 and the Defence Capability Plan Review 2019. The capital injections in 2021/22 are for the purchase of P-8A Poseidon aircraft for future air surveillance (\$590.703 million), Future Air Mobility Capability (\$77.416 million), Defence Estate Regeneration Programme (\$4.650) million and Promoting and supporting the health and wellbeing of veterans and their families (\$247,000).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	39,878	-	
Closing Balance	8,252,764	8,925,780	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

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

Scope of Appropriation

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

	2020/21		2021/22
	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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The annual maintenance and development works plan outcomes are achieved.	95%	95%	95%
<i>Services cemeteries will be maintained in accordance with the Standard of Care agreements:</i>			
Service cemeteries have a Standard of Care agreement in place.	95%	95%	95%
Planned monitoring visits completed.	100%	100%	100%

End of Year Performance Reporting

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

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.

3.4 - Non-Departmental Other Expenses

Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27)

Scope of Appropriation

This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.

Expenses

	2020/21		2021/22
	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) (A27)

Scope of Appropriation

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

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,805	2,805	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	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Funding for Royal New Zealand Returned and Services Association	2020/21	2,530	-	-	-	-
Grant Payment for Non-Government Organisations	2017/18	275	275	275	275	275

Reasons for Change in Appropriation

This appropriation decreased by \$2.530 million due to a grant to Royal New Zealand Returned and Service Association in 2020/21 to assist in maintaining current support levels to veterans and to deliver services despite COVID-19 challenges.

Impairment of Debt for Benefits or Related Expenses (M75) (A27)*Scope of Appropriation*

This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.

Expenses

	2020/21		2021/22
	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.

Service Cost - Veterans' Entitlements (M75) (A27)

Scope of Appropriation

This appropriation is limited to the present value of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	98,904	98,904	20,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to recognise the service costs related to the future liability to provide support for veterans through the ongoing provision of medical assessments and treatments; the provision of services; and the payment of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying operational service.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted 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 \$78.904 million to \$20 million for 2021/22. This decrease between 2020/21 and 2021/22 relates to additional retrospective deployments being declared as qualifying operational service of \$68.384 million and minor changes to the Veterans Support Act 2014 of \$10.520 million in 2020/21.

Support for Vietnam Veterans (M75) (A27)

Scope of Appropriation

This appropriation is limited to annual comprehensive medical assessments for Vietnam veterans, the monitoring of trends in the health and wellbeing of Vietnam veterans and providing this information to veterans, and ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions.

Expenses

	2020/21		2021/22
	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 services and exposure to a toxic environment on Vietnam veterans.

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

Scope of Appropriation

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.

Expenses

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	40,000	40,000	40,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to recognise the unwinding of discount rates to provide support for veterans through the ongoing provision of medical assessments and treatments; the provision of services; and the payment of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying operational service.

How Performance will be Assessed and End of Year Reporting Requirements

An exemption was granted under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27)*Scope of Appropriation*

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

Expenses

	2020/21		2021/22
	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.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	17,168	17,021	17,208
Departmental Output Expenses			
Policy Advice	3,889	3,848	3,900
Situational Awareness	11,268	11,192	11,289
Supporting Ministers	2,011	1,981	2,019
Funding for Departmental Output Expenses			
Revenue from the Crown	17,127	17,127	17,167
Policy Advice	3,878	3,878	3,889
Situational Awareness	11,246	11,246	11,267
Supporting Ministers	2,003	2,003	2,011
Revenue from Others	41	41	41
Policy Advice	11	11	11
Situational Awareness	22	22	22
Supporting Ministers	8	8	8

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The supply of high quality individual products, as shown in the tables below	Meet	Met	Meet

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

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of accurate, timely and responsive policy advice.			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the refreshed satisfaction survey	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%
Technical quality of policy advice papers assessed by a survey with a methodical robustness of 90%. (The higher the robustness score, the stronger the methodical quality of the completed assessment)	See Note 1	See Note 1	See Note 1
Situational Awareness			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support.			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes	Not less than 90%	Not less than 90%	Not less than 90%
Supporting Ministers			
This category is intended to achieve the provision of quality and timely support to Ministers.			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations	Not less than 90%	Not less than 90%	Not less than 90%

Note 1 - Measure for technical quality of policy advice papers - At least 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

End of Year Performance Reporting

Performance will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2022 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Defence White Paper 2016 - Operating Funding	2018/19	3,194	3,194	3,194	3,194	3,194

Reasons for Change in Appropriation

This appropriation increased by \$40,000 to \$17.208 million in 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$44,000 for the for operating funding previously transferred to capital funding in recognition of labour incurred on capital projects.

This was partially offset by:

- decreased funding of \$4,000 for the reduction in the capital charge rate.

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 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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	30,795	22,895	30,795
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	30,286	22,386	30,286
Military Operations that Contribute to Regional Security	509	509	509
Funding for Departmental Output Expenses			
Revenue from the Crown	30,486	30,486	30,486
Military Operations in Support of a Rules-Based International Order	30,022	30,022	30,022
Military Operations that Contribute to Regional Security	464	464	464
Revenue from Others	309	309	309
Military Operations in Support of a Rules-Based International Order	264	264	264
Military Operations that Contribute to Regional Security	45	45	45

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Operations Contributing to New Zealand's Security, Stability and Interests MCA.			
Achieve the conduct of military operations and other tasks that support the Government's strategic interests.	Meet	Met	Meet
Enhance all-of-government capacity to respond to regional crises.	Meet	Met	Meet

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

Assessment of Performance	2020/21		2021/22
	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 2021)</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 Troy (Middle East)	Meet	Met	Meet
Contribute military forces to Operation Pūkeko (Middle East)	Meet	Met	Meet
Contribute to Operation Tiki (Middle East)	Meet	Met	Meet
Contribute to Operation Whio (UNSCAR sanctions against North Korea)	Meet	Met	Meet
Military Operations that Contribute to Regional Security			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed	100%	100%	100%
Percentage of the agreed notice to move met for strategic airlift and sealift capabilities to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere	100%	100%	100%
Percentage of the agreed notice to move met for a specialised, high-readiness task group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population	100%	100%	100%

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 2022 to be presented to the House.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,424	10,424	10,447
Departmental Output Expenses			
Administration Services	2,889	2,889	2,884
Policy Advice	230	230	230
Services and Payments to Veterans	7,305	7,305	7,333
Funding for Departmental Output Expenses			
Revenue from the Crown	10,424	10,424	10,447
Administration Services	2,889	2,889	2,884
Policy Advice	230	230	230
Services and Payments to Veterans	7,305	7,305	7,333

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

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Policy Advice and Other Services for Veterans MCA			
The satisfaction of veterans as expressed in the annual Veteran Survey rating of overall satisfaction with Veterans' Affairs Services and Payments to Veterans	85%	85%	85%
The satisfaction of the Minister of Veterans' Affairs with the policy advice service, as per the refreshed satisfaction survey	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%	At least 3.5 out of 5 or 70%

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

Assessment of Performance	2020/21		2021/22
	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.			
Provide Ministerial Servicing and Support:			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
Provide Administration support to Boards and Panels as set out in the Veterans' Support Act 2014			
Arrangements and actions meet Board/panels statutory requirements	100%	100%	Meet
Assist with the coordination of New Zealand's participation in the commemoration of significant military anniversaries:			
Participation will be delivered in accordance with agreed parameters and budget	Meet	Met	Meet

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
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.			
Provide policy advice to support decision making by Ministers			
All new and substantial amendments and replacements of Statement of Principles (SOPs) are reported to the Veterans' Health Advisory Panel, the Minister for Veterans and the Cabinet Legislation Committee for consideration and decisions regarding adoption. All minor amendments to SOPs are reported directly to the Minister for Veterans for consideration and decisions regarding adoption	100%	100%	100%
Replies to requests within 20 working days, if not otherwise specified	95%	95%	95%
The first drafts of all policy products presented to the Minister will be accepted	95%	95%	95%
Services and Payments to Veterans			
Applications and Reviews:			
Veterans surveyed are satisfied with the timeliness of VA decisions	New Measure	New Measure	80%
Applications are acknowledged within seven working days	New Measure	New Measure	100%
Reviews will be completed within 65 days of receipt	100%	100%	100%
Provide Case Management:			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	95%	95%	95%
Within 13 weeks after Veterans' Affairs accepts a veteran's claim for entitlements under Scheme One or Two, Veterans' Affairs in association with the Rehabilitation Advisor must determine whether the veteran is likely to need social or vocational rehabilitation and if so prepare a rehabilitation plan in consultation with the veteran	100%	100%	100%
Deal with Enquiries:			
Calls will be resolved on first contact	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 2022 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Promoting and supporting the health and wellbeing of veterans and their families	2018/19	636	664	157	157	157
Defence White Paper 2016	2018/19	120	120	120	120	120
Previous National-led Government						
Defence White Paper 2016	2017/18	243	243	243	243	243

Reasons for Change in Appropriation

This appropriation increased by \$23,000 to \$10.447 million for 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$28,000 for promoting and supporting the health and wellbeing of veterans and their families.

This was partially offset by:

- decreased funding of \$5,000 for the reduction in the capital charge rate.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	605,249	599,810	629,091
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	185,114	183,968	199,312
Defence International Engagement	101,183	100,736	107,080
Defence Support to the Community	59,024	58,126	59,454
Military Assistance to Civil Authorities in Non-Emergency Situations	38,834	38,497	38,894
Resource and Border Protection Operations	221,094	218,483	224,351

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	582,718	582,718	600,720
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	183,514	183,514	197,712
Defence International Engagement	95,838	95,838	96,013
Defence Support to the Community	47,428	47,428	47,740
Military Assistance to Civil Authorities in Non-Emergency Situations	37,816	37,816	37,876
Resource and Border Protection Operations	218,122	218,122	221,379
Revenue from Others	22,531	22,531	28,371
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	1,600	1,600
Defence International Engagement	5,345	5,345	11,067
Defence Support to the Community	11,596	11,596	11,714
Military Assistance to Civil Authorities in Non-Emergency Situations	1,018	1,018	1,018
Resource and Border Protection Operations	2,972	2,972	2,972

What is Intended to be Achieved with this Appropriation

This appropriation is intended to contribute to the protection of New Zealand's sovereignty and the provision of security for New Zealanders.

How Performance will be Assessed for this Appropriation

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The degree of satisfaction expressed by authorities requesting assistance in accordance with their annual programmes	100%	100%	100%
Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the limited resources available	Meet	Met	Meet

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

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability	100%	100%	100%
Percentage of the levels of operational capability and readiness as directed met to generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the New Zealand Police	100%	100%	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance	100%	100%	100%
Percentage of agreed notice to move met for the specialised Explosive Ordnance Disposal Squadron to respond to requests to assist New Zealand Police operations	100%	100%	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations	100%	100%	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations	100%	100%	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas	100%	100%	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand	100%	100%	100%
Percentage of requests met to augment the capacity of Fire and Emergency New Zealand to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire	100%	100%	100%
Percentage of contingency plans in place to assist the civil power mitigate the effects of a maritime disaster and degradation of the marine environment	100%	100%	100%
Percentage of contingency plans in place to assist the civil power within the agreed notice to move to conduct aeromedical evacuation and medical rescue at sea at the Government's direction	100%	100%	100%
Subject to availability of resources, the percentage of requests met for specialised military capabilities to assist New Zealand Police operations to maintain law and order and public safety	100%	100%	100%

	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
Defence International Engagement			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF	Meet	Met	Meet
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	60%	60%	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	60%	60%	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	60%	60%	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	80%	80%	100%
Percentage of multilateral and bilateral confidence and security building activities participated in that contribute to initiatives that prevent the proliferation of weapons of mass destruction and further New Zealand's foreign policy objectives, as directed by the Government	100%	100%	100%
Percentage of resident and non-resident Defence representation maintained through the assignment of Defence Attaches and Advisers in host nations and in accordance with the Government's direction	100%	100%	100%
The NZDF remains well-informed about defence doctrine and advances in defence-related technology through: 1. maintaining active participation in specific military fora to enable the NZDF to remain well-informed about military doctrine, current military operations and future changes and exchanges of information related to the profession-of-arms; and 2. maintaining a network of relationships with external scientific and technology organisations that contribute to the development of solutions for the Government, the Defence Force, and New Zealand's national security agencies and supports the provision of military capability and promotion of security	Meet	Met	Meet

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Defence Support to the Community			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
Percentage of NZDF leadership and skills training activities completed for the New Zealand Cadet Forces to develop confident, responsible young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Social Development requirements for trainees selected for Limited Service Volunteer courses to gain life skills, develop core values, teamwork and trust, which boost self-esteem and confidence	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the Ministry of Education Youth Life Skills programme requirements for Service Academies and the provision of leadership development and outdoors adventure-based training opportunities within high schools	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of the New Zealand Police Blue Light Trust with NZDF services to enhance the Trust's youth development programmes nationwide	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction of Service Museum Trust Boards with NZDF support to Service Museums and the development, management and display of New Zealand's military history collections for the preservation of New Zealand's military history and culture for the enjoyment of future generations	Not less than 90%	Not less than 90%	Not less than 90%
Percentage of satisfaction to support significant national and local events that benefit the community through the provision of services at hui of significance and national and local events, including ceremonial and military displays that contribute to the success of the occasion and enhances the identity and professional reputation of the NZDF	Not less than 90%	Not less than 90%	Not less than 90%
Military Assistance to Civil Authorities in Non-Emergency Situations			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities.			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction	100%	100%	100%
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support significant military anniversaries, nationally recognised commemorative events and significant commemorative events overseas	100%	100%	100%
Percentage of requests met to provide representational staff for the Viceregal House, military guards, suitably tailored for the occasion, military bands, air, land and sea transport and associated support for viceregal activities	100%	100%	100%
Percentage of requests met to provide air, land and sea transport for members of the Government and guests of the State to support the Government's internal and external transportation requirements	100%	100%	100%

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
Resource and Border Protection Operations			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Percentage of information on maritime traffic, suitably adapted for civil needs, that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand	100%	100%	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	Approx 80-90%	Approx 80-90%	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	Approx 80-90%	Approx 80-90%	Not less than 90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met	Approx 80-90%	Approx 80-90%	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	Approx 80-90%	Approx 80-90%	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 2022 to be presented in the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Generation of Defence Estate to support delivery of Defence Policy	2019/20	2,463	2,463	2,463	2,463	2,463
Generation of Military Enablers to support delivery of Defence Policy	2019/20	1,597	1,597	1,597	1,597	1,597
Defence Force Future Air Surveillance Approval to Purchase the Boeing P-8A	2018/19	12,466	15,219	12,594	30,116	30,695
Defence White Paper 2016 Operating Initiative	2018/19	13,060	13,060	13,060	13,060	13,060
Defence White Paper 2016 - Operating Funding	2017/18	12,510	12,510	12,510	12,510	12,510

Reasons for Change in Appropriation

This appropriation increased by \$23.842 million to \$629.091 million for 2021/22. This increase between 2020/21 and 2021/22 relates to:

- increased funding of \$13.900 million that was transferred in 2020/21 for delivery of the border and isolation facilities in support of Government's response to the COVID-19 global pandemic
- increased funding of \$5.796 million for funding transferred from 2020/21 to 2021/22 for the Pacific Leaders Development Programme
- increased funding of \$2.753 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 \$1.667 million for operating funding previously transferred to capital funding in recognition of labour incurred on capital projects
- increased funding of \$245,000 for operating funding previously transferred to capital funding for maintenance expenditure which has resulted in asset improvement
- increased funding of \$200,000 for relocation of P-8A related personnel, and
- increased funding of \$182,000 for expansion of the Limited Service Volunteer Programme.

This is partially offset by:

- decreased funding of \$827,000 for the reduction in the capital charge rate, and
- decreased funding of \$74,000 for additional security provided in Singapore in 2020/21.