

# *Vote Defence Force*

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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 \$4,898 million for the 2022/23 financial year with the Minister of Defence responsible for \$4,817 million and the Minister for Veterans' Affairs responsible for \$81 million.

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling \$4,817 million for the 2022/23 financial year.

This includes \$3,253 million for Departmental Output Expenses covering the following:

- a total of \$2,676 million on Air (\$941 million), Army (\$1,068 million) and Navy (\$667 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 \$577 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, \$66 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2022/23. The remainder is funded by Revenue Crown.

There is a capital expenditure appropriation of \$1,564 million for the purchase of assets.

The Minister of Defence is also responsible for a capital injection of \$915 million to the New Zealand Defence Force.

The Minister for Veterans is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling \$81 million for the 2022/23 financial year.

This includes \$11 million for a Multi-Category Appropriation (MCA) for Policy Advice and Other Services for Veterans, and \$70 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	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	920,441	920,441	<b>941,604</b>
<b>Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	943,145	943,145	<b>1,067,537</b>
<b>Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27)</b> This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	606,564	606,564	<b>666,580</b>
<b>Military Capabilities in Support of a Rules-Based International Order (M22) (A27)</b> This appropriation is limited to the provision of military capabilities overseas, as directed by the Government of New Zealand.	5,000	5,000	-
<b>Total Departmental Output Expenses</b>	2,475,150	2,475,150	2,675,721
<b>Departmental Other Expenses</b>			
<b>Loss on Sale of Physical Assets (M22) (A27)</b> This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	7,260	7,260	-
<b>Total Departmental Other Expenses</b>	7,260	7,260	-
<b>Departmental Capital Expenditure</b>			
<b>New Zealand Defence Force - Capital Expenditure PLA (M22) (A27)</b> This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	1,347,730	1,347,730	1,564,126
<b>Total Departmental Capital Expenditure</b>	1,347,730	1,347,730	1,564,126
<b>Non-Departmental Output Expenses</b>			
<b>Development and Maintenance of Services Cemeteries (M75) (A27)</b> This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	<b>746</b>
<b>Total Non-Departmental Output Expenses</b>	746	746	746
<b>Non-Departmental Other Expenses</b>			
<b>Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27)</b> This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	203	<b>203</b>
<b>Grant Payments to Non-Government Organisations (M75) (A27)</b> This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	275	<b>275</b>

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Impairment of Debt for Benefits or Related Expenses (M75) (A27)</b> 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	<b>250</b>
<b>Service Cost - Veterans' Entitlements (M75) (A27)</b> 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.	20,000	20,000	<b>20,000</b>
<b>Support for Vietnam Veterans (M75) (A27)</b> 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.	39,000	39,000	<b>3,100</b>
<b>Unwind of Discount Rate - Veterans' Entitlements (M75) (A27)</b> 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	<b>45,000</b>
<b>Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27)</b> This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	200	<b>200</b>
<b>Total Non-Departmental Other Expenses</b>	99,928	99,928	69,028
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Advice to the Government MCA (M22) (A27)</b> The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	13,708	13,708	<b>14,894</b>
<b>Departmental Output Expenses</b>			
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.	3,900	3,900	3,938
<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.	7,789	7,789	8,907
<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.	2,019	2,019	2,049
<b>Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27)</b> 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.	34,772	34,772	<b>30,883</b>
<b>Departmental Output Expenses</b>			
<i>Military Operations in Support of a Rules-Based International Order</i> This category is limited to the costs of generating operational military capabilities and the employment of the New Zealand Armed Forces for the conduct of operations, as directed by the Government.	34,263	34,263	30,368

Titles and Scopes of Appropriations by Appropriation Type	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Military Operations that Contribute to Regional Security</b> This category is limited to the costs of providing specialised support to all-of-government efforts to maintain security and stability in New Zealand's immediate neighbourhood including responses to events that impact on the safety and wellbeing of regional populations, as directed by the Government.	509	509	515
<b>Policy Advice And Other Services For Veterans MCA (M75) (A27)</b> 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.	11,947	11,947	<b>11,575</b>
<b>Departmental Output Expenses</b>			
<b>Administration Services</b> This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.	2,884	2,884	2,881
<b>Policy Advice</b> This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.	230	230	230
<b>Services and Payments to Veterans</b> This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.	8,833	8,833	8,464
<b>Protection of New Zealand and New Zealanders MCA (M22) (A27)</b> The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.	639,327	639,327	<b>531,376</b>
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b> This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.	200,438	200,438	89,379
<b>Defence International Engagement</b> This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.	100,886	100,886	100,372
<b>Defence Support to the Community</b> This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.	61,804	61,804	61,131
<b>Military Assistance to Civil Authorities in Non-Emergency Situations</b> This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.	40,085	40,085	40,214
<b>Resource and Border Protection Operations</b> 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.	236,114	236,114	240,280
<b>Total Multi-Category Expenses and Capital Expenditure</b>	699,754	699,754	588,728
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	4,630,568	4,630,568	4,898,349

## Capital Injection Authorisations

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	229,535	229,535	914,870

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Depreciation on Asset Revaluation	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	2,196	2,196	2,196	2,196	2,196
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	17,291	17,291	17,291	17,291	17,291
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	3,843	3,843	3,843	3,843	3,843
	Protection of New Zealand and New Zealanders MCA Resource and Border Protection Operations Departmental Output Expense	4,117	4,117	4,117	4,117	4,117
	Total	27,447	27,447	27,447	27,447	27,447
Defence Force Remuneration	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	5,725	5,725	5,725	5,725
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	8,986	8,986	8,986	8,986
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	3,907	3,907	3,907	3,907
	Advice to the Government MCA Departmental Output Expenses	-	188	188	188	188
	Operations Contributing to New Zealand's Security, Stability and Interests MCA Departmental Output Expenses	-	88	88	88	88
	Policy Advice and Other Services to Veterans MCA Departmental Output Expenses	-	138	138	138	138
	Protection of New Zealand and New Zealanders MCA Departmental Output Expenses	-	3,468	3,468	3,468	3,468
	Total	-	22,500	22,500	22,500	22,500

Policy Initiative	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Construction Cost Pressures	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	1,560	1,300	-	-
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	3,000	2,500	-	-
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	960	800	-	-
	Protection of New Zealand and New Zealanders MCA Resource and Border Protection Operations Departmental Output Expense	-	480	400	-	-
	Total	-	6,000	5,000	-	-
Defence Force Supply Chain Cost Pressures	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	756	756	756	756
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	378	378	378	378
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	140	140	140	140
	Protection of New Zealand and New Zealanders MCA Resource and Border Protection Operations Departmental Output Expense	-	126	126	126	126
	Total	-	1,400	1,400	1,400	1,400
State Sector Decarbonisation - Tranche Five	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	50	51	50	25	-
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	50	50	51	25	-
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	51	50	50	24	-
	Capital Injection Capital Injection	456	-	-	-	-
	Total	607	151	151	74	-
Linton Maintenance Support Facility Build	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	314	1,059	1,059	1,059
Frigate Communications Sustainment	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	-	-	66	486
	Capital Injection Capital Injection	11,793	8,707	-	-	-
	Total	11,793	8,707	-	66	486

Policy Initiative	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Depreciation Funding Shortfall	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	13,500	30,372	42,900	42,900	42,900
	Army Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	11,000	23,188	34,700	34,700	34,700
	Navy Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	12,025	27,942	38,675	38,675	38,675
	Protection of New Zealand and New Zealanders MCA Resource and Border Protection Operations Departmental Output Expense	4,875	9,698	14,625	14,625	14,625
	<b>Total</b>	<b>41,400</b>	<b>91,200</b>	<b>130,900</b>	<b>130,900</b>	<b>130,900</b>
Operational and Regulatory Aviation Compliance Sustainment Project	Air Force Capabilities Prepared for Joint Operations and Other Tasks Departmental Output Expense	-	57	1,887	2,938	1,759
Expansion of Prescribed Conditions for Vietnam Veterans	Support for Vietnam Veterans Non-Departmental Other Expense	37,900	2,000	2,000	2,000	2,000
<b>Total initiatives</b>		<b>119,147</b>	<b>159,776</b>	<b>192,344</b>	<b>188,384</b>	<b>187,551</b>

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2017/18	2018/19	2019/20	2020/21	2021/22		2022/23			2023/24	2024/25	2025/26
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	2,065,838	2,173,246	2,289,018	2,287,179	2,475,896	2,475,896	2,675,721	746	2,676,467	2,799,820	2,846,720	2,848,666
Benefits or Related Expenses	114,489	113,906	86,709	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	1,116	2,214	3,199,354	105,052	107,188	107,188	-	69,028	69,028	74,028	74,028	74,028
Capital Expenditure	468,965	722,045	484,392	798,596	1,347,730	1,347,730	1,564,126	-	1,564,126	1,590,101	1,035,129	538,852
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	514,661	554,518	552,640	625,456	699,754	699,754	588,728	-	588,728	613,534	627,596	630,222
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	3,165,069	3,565,929	6,612,113	3,816,283	4,630,568	4,630,568	4,828,575	69,774	4,898,349	5,077,483	4,583,473	4,091,768
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	-	-	-	-	-	-	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 2017/18 and 2025/26 are due to new funding as a result of the Defence White Paper 2016, the Strategic Defence Policy Statement 2018, the Defence Capability Plan Review 2019, and the 2020 Baseline Review recommendations. This includes the introduction into service of new capabilities to enhance and maintain the outputs delivered by the New Zealand Defence Force. The increase from 2021/22 is due to Budget 2022 initiatives that have restored the depreciation baseline and provided support for remuneration and non-discretionary cost pressures.

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 from 6% to 5% 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 2017/18 with movements in the MCAs a result of the provision of Humanitarian Assistance and Disaster Relief (HADR) operations, operational deployments to United Nations, and Multi-National operations that contribute to New Zealand's Security, Stability and Interests. The increase in 2020/21 and 2021/22 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 2019/20 due to 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 expenses appropriations, Service Cost and the Unwind of Discount Rate. These new appropriations are the reason for the increase in expenses forecast for future years. The higher 2021/22 appropriation was due to ex-gratia payments that were made to New Zealand Vietnam veterans.

#### *Capital Expenditure*

The capital expenditure appropriation between 2017/18 and 2025/26 reflects the agreed level of investment in the New Zealand Defence Force as a result of the Defence White Paper 2016, the Strategic Defence Policy Statement 2018, and the Defence Capability Plan Review 2019 recommendations. This includes introduction into service of new capabilities to enhance and maintain the outputs delivered by the New Zealand Defence Force.

The increases in expenditure in 2018/19, 2019/20, 2020/21, 2021/22 and 2022/23 are primarily a result of expenditure for the replacement and regeneration 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 were 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	920,441	920,441	941,604
Revenue from the Crown	909,313	909,313	930,476
Revenue from Others	11,128	11,128	11,128

##### *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*

	2021/22		2022/23
	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	96%	96%	92%
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for counter sea and surveillance operations	63%	63%	29%
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	93%	93%	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%	90%
Percentage of Government directed readiness levels achieved and maintained to provide strategic air mobility capabilities prepared for inter-theatre air transport operations	50%	50%	100%

The reduction in the Air Surveillance Budget Standard for 2022/23 is due to the reduction in P-3K2 aircraft and crews as part of the transition to P-8A Poseidon. The other changes to Budget Standards in the above table are due to the conclusion of Operation PROTECT (deployment of personnel in support of the All-of-Government response to the COVID-19 pandemic) and the availability of capabilities.

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2023 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Operational and Regulatory Aviation Compliance Sustainment Project	2022/23	-	57	2,589	4,338	3,159
Defence Force Remuneration	2022/23	-	5,725	5,725	5,725	5,725
Defence Force Construction Cost Pressures	2022/23	-	1,560	1,300	-	-
Defence Force Supply Chain Cost Pressures	2022/23	-	756	756	756	756
Depreciation on Asset Revaluation	2021/22	2,196	2,196	2,196	2,196	2,196
State Sector Decarbonisation Tranche Five	2021/22	50	51	50	25	-
Defence Force Depreciation Funding Shortfall	2021/22	13,500	30,372	42,900	42,900	42,900
Future Air Mobility Capability	2020/21	5,323	10,717	30,401	100,725	106,462
Delivering on the Strategic Defence Policy Statement 2018	2020/21	55,243	56,268	56,249	56,249	56,249
Security Capability Programme	2020/21	1,120	1,120	1,120	1,120	1,120

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Generation of Air Force Capabilities to deliver Defence Policy	2019/20	6,499	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	60,880	50,373	120,461	122,778	123,283
Defence White Paper 2016 - Operating Funding	2018/19	29,204	29,204	29,204	29,204	29,204

### *Reasons for Change in Appropriation*

This appropriation increased by \$21.163 million to \$941.604 million for 2022/23 due to:

- increased funding of \$16.872 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital expenditure
- increased funding of \$7.800 million that was previously transferred to Operation PROTECT for the delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic
- increased funding of \$5.725 million for remuneration
- increased funding of \$5.394 million as a result of the acquisition, implementation and operation of the Future Air Mobility Capability
- increased funding of \$4.850 million which was transferred from 2020/21 for the acquisition of the Texan training aircraft Canopy Fracture System
- increased funding of \$4.617 million which was transferred from this appropriation in 2021/22 to assist with the self-defence of Ukraine
- increased funding of \$1.560 million for construction cost pressures
- increased funding of \$1.025 million as a result of the Budget 2020 Baseline Review
- increased funding of \$756,000 for supply chain cost pressures
- increased funding of \$233,000 for the Fixed High Frequency Radio Capability
- increased funding of \$57,000 for the Operational and Regulatory Aviation Compliance Sustainment Project (ORACS), and
- increased funding of \$1,000 for the State Sector Decarbonisation Fund - Tranche Five.

This is partially offset by:

- decreased funding of \$22.500 million for the alignment of funding to the delivery of outputs
- decreased funding of \$3.787 million to reflect the phasing of the purchase of the Boeing P-8A Poseidon Aircraft, and
- decreased funding of \$1.440 million for the reduction in the capital charge rate from 6% to 5%.

## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	943,145	943,145	1,067,537
Revenue from the Crown	923,950	923,950	1,048,342
Revenue from Others	19,195	19,195	19,195

### *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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations	100%	100%	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for 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	11%	11%	100%

The increase in the Budget Standards for 2022/23 for land combat capabilities prepared for global warfighting and regional stabilisation operations in the table above is due to the conclusion of Operation PROTECT (the deployment of personnel in support of the All-of-Government response to the COVID-19 pandemic).

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2023 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Remuneration	2022/23	-	8,986	8,986	8,986	8,986
Defence Force Construction Cost Pressures	2022/23	-	3,000	2,500	-	-
Defence Force Supply Chain Cost Pressures	2022/23	-	378	378	378	378
Linton Maintenance Support Facility Build	2022/23	-	314	1,059	1,059	1,059
Protected Vehicle - Medium Procurement	2022/23	-	2,379	5,771	5,771	5,771
Depreciation on Asset Revaluation	2021/22	17,291	17,291	17,291	17,291	17,291
State Sector Decarbonisation - Tranche Five	2021/22	50	50	51	25	-
Defence Force Depreciation Funding Shortfall	2021/22	11,000	23,188	34,700	34,700	34,700
Delivering on the Strategic Defence Policy Statement 2018	2021/22	48,962	60,262	67,937	72,168	72,168
Security Capability Programme	2021/22	720	1,120	1,120	1,120	1,120
Enterprise Cloud and Enterprise Connectivity	2020/21	1,080	1,080	1,080	1,080	-
Generation of Military Enablers to support delivery of Defence Policy	2019/20	3,799	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

### *Reasons for Change in Appropriation*

This appropriation increased by \$124.392 million to \$1,067.537 million for 2022/23 due to:

- increased funding of \$82.800 million that was previously transferred to Operation PROTECT for the delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic
- increased funding of \$12.188 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital expenditure
- increased funding of \$8.986 million for remuneration
- increased funding of \$7.675 million as a result of the Budget 2020 Baseline Review
- increased funding of \$7.500 million for the alignment of funding to the delivery of outputs
- increased funding of \$3 million for construction cost pressures
- increased funding of \$2.379 million for the Protected Vehicle - Medium Project
- increased funding of \$560,000 which was transferred from this appropriation in 2021/22 to assist with the self-defence of Ukraine
- increased funding of \$378,000 for supply chain cost pressures
- increased funding of \$314,000 for the Linton Maintenance Support Facility, and
- increased funding of \$233,000 for Fixed High Frequency Radio Capability.

This is partially offset by:

- decreased funding of \$1.026 million for the reduction in the capital charge rate from 6% to 5%
- decreased funding of \$390,000 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 \$204,000 which reflects the agreed phasing of the delivery of the Consolidated Logistics Programme, and
- decreased funding of \$1,000 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	606,564	606,564	666,580
Revenue from the Crown	597,968	597,968	657,984
Revenue from Others	8,596	8,596	8,596

### *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	2021/22		2022/23
	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	64%	64%	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	75%	75%	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift	92.5%	92.5%	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	98%	98%	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%

The increase in the Budget Standards for 2022/23 in the above table are due to the conclusion of Operation PROTECT (the deployment of personnel in support of the All-of-Government response to the COVID-19 pandemic) and an increase in the availability of capabilities.

### End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2023 to be presented to the House.

### Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Communications Frigate Sustainment	2024/25	-	-	-	66	486
Defence Force Remuneration	2022/23	-	3,907	3,907	3,907	3,907
Defence Force Construction Cost Pressures	2022/23	-	960	800	-	-
Defence Force Supply Chain Cost Pressures	2022/23	-	140	140	140	140
Depreciation on Asset Revaluation	2021/22	3,843	3,843	3,843	3,843	3,843
State Sector Decarbonisation - Tranche Five	2021/22	51	50	50	24	-
Defence Force Depreciation Funding Shortfall	2021/22	12,025	27,942	38,675	38,675	38,675
Delivering on the Strategic Defence Policy Statement 2018	2021/22	44,338	49,875	52,233	54,612	54,612
Security Capability Programme	2021/22	360	560	560	560	560

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
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

### *Reasons for Change in Appropriation*

This appropriation increased by \$60.016 million to \$666.580 million for 2022/23 due to:

- increased funding of \$21.200 million that was previously transferred to Operation PROTECT for the delivery of isolation facilities and border services in support of the Government's response to the COVID-19 global pandemic
- increased funding of \$15.917 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital expenditure
- increased funding of \$15.500 million for the alignment of funding to outputs
- increased funding of \$3.907 million for remuneration
- increased funding of \$2.358 million as a result of the Budget 2020 Baseline Review
- increased funding of \$960,000 for construction cost pressures
- increased funding of \$540,000 which was transferred from this appropriation in 2021/22 to assist with the self-defence of Ukraine
- increased funding of \$233,000 for Fixed High Frequency Radio Capability, and
- increased funding of \$140,000 for supply chain cost pressures.

This is partially offset by:

- decreased funding of \$738,000 for the reduction in the capital charge rate from 6% to 5%, and
- decreased funding of \$1,000 for the phasing of the State Sector Decarbonisation Fund - Tranche Five.

## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	1,339,009	1,339,009	1,554,797
Intangibles	8,721	8,721	9,329
Other	-	-	-
<b>Total Appropriation</b>	<b>1,347,730</b>	<b>1,347,730</b>	<b>1,564,126</b>

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

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

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

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Expenditure supports the delivery of the department's output performance measures in accordance with the Defence Mid-Point Rebalancing Review, 2016 Defence White Paper and the Defence Capability Plan Review 2019.	Achieved	Achieved	Achieved

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ending 30 June 2023 to be presented to the House.

#### *Reasons for Change in Appropriation*

This appropriation increased by \$216.396 million to \$1,564.126 million for 2022/23 due to the spending profile on major projects agreed in the Defence White Paper 2016 and consistent 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	2021/22 Estimated Actual \$000	2022/23 Projected \$000	Explanation of Projected Movements in 2022/23
Opening Balance	9,052,719	9,282,254	
Capital Injections	229,535	914,870	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 2022/23 are for the purchase of P-8A Poseidon aircraft for future air surveillance (\$752.819 million), Future Air Mobility Capability (\$153.224 million), Frigate Sustainment (Communication) (\$8.707 million) and supporting the health and wellbeing of veterans and their families (\$120,000).
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>9,282,254</b>	<b>10,197,124</b>	

## 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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	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 for the year ending 30 June 2023 to be presented to the House.

##### *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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	275	275	275

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

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

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

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

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Grant Payment for Non-Government Organisations	2017/18	275	275	275	275	275

**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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,000	20,000	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.

## **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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	39,000	39,000	3,100

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

As well as achieving the payment of ex-gratia payments and annual comprehensive medical assessments to eligible Vietnam veterans, it is intended that this appropriation will also allow for the monitoring of trends in the health and wellbeing of up to 3,000 Vietnam veterans and their families with the associated provision of this information to veterans.

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

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

### *Reasons for Change in Appropriation*

This appropriation decreased by \$35.900 million to \$3.100 million for 2022/23 due to additional funding received in 2021/22 for the expansion of accepted conditions for Vietnam veterans.

### *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 potential 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	40,000	40,000	45,000

#### *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.

#### *Reasons for Change in Appropriation*

This appropriation increased by \$5 million to \$45 million for 2022/23 due to an increase in funding to align the budget with the expected expense as per actuarial forecasts.

## 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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>13,708</b>	<b>13,708</b>	<b>14,894</b>
<b>Departmental Output Expenses</b>			
Policy Advice	3,900	3,900	3,938
Situational Awareness	7,789	7,789	8,907
Supporting Ministers	2,019	2,019	2,049
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>13,667</b>	<b>13,667</b>	<b>14,853</b>
Policy Advice	3,889	3,889	3,927
Situational Awareness	7,767	7,767	8,885
Supporting Ministers	2,011	2,011	2,041
<b>Revenue from Others</b>	<b>41</b>	<b>41</b>	<b>41</b>
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*

	2021/22		2022/23
	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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Policy Advice</b>			
This category is intended to achieve the provision of accurate, timely and responsive policy advice.			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the 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
<b>Situational Awareness</b>			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support.			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes	Not less than 90%	Not less than 90%	Not less than 90%
<b>Supporting Ministers</b>			
This category is intended to achieve the provision of quality and timely support to Ministers.			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations	Not less than 90%	Not less than 90%	Not less than 90%

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 2023 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Remuneration	2022/23	-	188	188	188	188
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 \$1.186 million to \$14.894 million for 2022/23 due to:

- increased funding of \$1 million for the alignment of funding to the delivery of outputs, and
- increased funding of \$188,000 for remuneration.

This is partially offset by a decrease of \$2,000 for the reduction in the capital charge rate from 6% to 5%.

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

#### *Overarching Purpose Statement*

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

#### *Scope of Appropriation*

##### **Departmental Output Expenses**

##### *Military Operations in Support of a Rules-Based International Order*

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

##### *Military Operations that Contribute to Regional Security*

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

*Expenses, Revenue and Capital Expenditure*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>34,772</b>	<b>34,772</b>	<b>30,883</b>
<b>Departmental Output Expenses</b>			
Military Operations in Support of a Rules-Based International Order	34,263	34,263	30,368
Military Operations that Contribute to Regional Security	509	509	515
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>34,463</b>	<b>34,463</b>	<b>30,574</b>
Military Operations in Support of a Rules-Based International Order	33,999	33,999	30,104
Military Operations that Contribute to Regional Security	464	464	470
<b>Revenue from Others</b>	<b>309</b>	<b>309</b>	<b>309</b>
Military Operations in Support of a Rules-Based International Order	264	264	264
Military Operations that Contribute to Regional Security	45	45	45

*What is Intended to be Achieved with this Appropriation*

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

*How Performance will be Assessed for this Appropriation*

	2021/22		2022/23
	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	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Military Operations in Support of a Rules-Based International Order</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 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 Pukeko (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
<b>Military Operations that Contribute to Regional Security</b>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed	100%	100%	100%
Percentage of the agreed notice to move met for strategic airlift and sealift capabilities to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere	100%	100%	100%
Percentage of the agreed notice to move met for a specialised, high-readiness task group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population	100%	100%	100%

*End of Year Performance Reporting*

Performance will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2023 to be presented to the House.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Remuneration	2022/23	-	88	88	88	88

*Reasons for Change in Appropriation*

This appropriation decreased by \$3.889 million to \$30.883 million for 2022/23 due to a decrease in funding of \$3.977 million which was transferred to this appropriation in 2021/22 to assist with the self-defence of Ukraine, partially offset by an increase in funding of \$88,000 for remuneration.

**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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>11,947</b>	<b>11,947</b>	<b>11,575</b>
<b>Departmental Output Expenses</b>			
Administration Services	2,884	2,884	2,881
Policy Advice	230	230	230
Services and Payments to Veterans	8,833	8,833	8,464
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>11,947</b>	<b>11,947</b>	<b>11,575</b>
Administration Services	2,884	2,884	2,881
Policy Advice	230	230	230
Services and Payments to Veterans	8,833	8,833	8,464

*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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Policy Advice and Other Services for Veterans MCA</b>			
The satisfaction of veterans as expressed in the annual Veteran Survey rating of overall satisfaction with Veterans' Affairs 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*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Administration Services</b>			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision making) responsibilities, assisting with the coordination of commemorations and the provision of administration services to relevant boards and panels and contracts for work carried out in Services Cemeteries.			
<b>Provide Ministerial Servicing and Support:</b>			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
<b>Provide Administration support to Boards and Panels as set out in the Veterans' Support Act 2014</b>			
Arrangements and actions meet Board/panels statutory requirements	100%	100%	Meet
<b>Assist with the coordination of New Zealand's participation in the commemoration of significant military anniversaries:</b>			
Participation will be delivered in accordance with agreed parameters and budget	Meet	Met	Meet
<b>Policy Advice</b>			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on Government policy matters relating to Veterans' Affairs.			
<b>Provide policy advice to support decision making by Ministers</b>			
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%
<b>Services and Payments to Veterans</b>			
<b>Applications and Reviews:</b>			
Veterans surveyed are satisfied with the timeliness of VA decisions	80%	80%	80%
Applications are acknowledged within seven working days	100%	100%	100%
Reviews will be completed within 65 days of receipt	100%	100%	100%

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
<i>Provide Case Management:</i>			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	95%	95%	95%
Within 13 weeks after Veterans' Affairs accepts a veteran's claim for entitlements under Scheme One or Two, Veterans' Affairs in association with the Rehabilitation Advisor must determine whether the veteran is likely to need social or vocational rehabilitation and if so prepare a rehabilitation plan in consultation with the veteran	100%	100%	100%
<i>Deal with Enquiries:</i>			
Calls will be resolved on first contact	90%	90%	90%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2023 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Remuneration	2022/23	-	138	138	138	138
Promoting and supporting the health and wellbeing of veterans and their families	2018/19	664	157	157	157	157
Defence White Paper 2016	2018/19	120	120	120	120	120

### *Reasons for Change in Appropriation*

This appropriation decreased by \$372,000 to \$11.575 million in 2022/23 due to:

- decreased funding of \$507,000 for promoting and supporting the health and wellbeing of veterans and their families, and
- decreased funding of \$3,000 for the reduction in the capital charge rate from 6% to 5%.

This has been partially offset by increased funding of \$138,000 for remuneration.

## 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*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	<b>639,327</b>	<b>639,327</b>	<b>531,376</b>
<b>Departmental Output Expenses</b>			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	200,438	200,438	89,379
Defence International Engagement	100,886	100,886	100,372
Defence Support to the Community	61,804	61,804	61,131
Military Assistance to Civil Authorities in Non-Emergency Situations	40,085	40,085	40,214
Resource and Border Protection Operations	236,114	236,114	240,280

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>609,784</b>	<b>609,784</b>	<b>504,213</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	198,838	198,838	87,779
Defence International Engagement	89,819	89,819	90,513
Defence Support to the Community	48,918	48,918	49,417
Military Assistance to Civil Authorities in Non-Emergency Situations	39,067	39,067	39,196
Resource and Border Protection Operations	233,142	233,142	237,308
<b>Revenue from Others</b>	<b>29,543</b>	<b>29,543</b>	<b>27,163</b>
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,600	1,600	1,600
Defence International Engagement	11,067	11,067	9,859
Defence Support to the Community	12,886	12,886	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*

	2021/22		2022/23
	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	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Departmental Output Expenses</b>			
<b>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</b>			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability	100%	100%	100%
Percentage of the levels of operational capability and readiness as directed met to generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the New Zealand Police	100%	100%	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance	100%	100%	100%
Percentage of agreed notice to move met for the specialised Explosive Ordnance Disposal Squadron to respond to requests to assist New Zealand Police operations	100%	100%	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations	100%	100%	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations	100%	100%	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas	100%	100%	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand	100%	100%	100%
Percentage of requests met to augment the capacity of Fire and Emergency New Zealand to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire	100%	100%	100%
Percentage of contingency plans in place to assist the civil power mitigate the effects of a maritime disaster and degradation of the marine environment	100%	100%	100%
Percentage of contingency plans in place to assist the civil power within the agreed notice to move to conduct aeromedical evacuation and medical rescue at sea at the Government's direction	100%	100%	100%
Subject to availability of resources, the percentage of requests met for specialised military capabilities to assist New Zealand Police operations to maintain law and order and public safety	100%	100%	100%
Percentage of contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail	100%	100%	100%

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises	100%	100%	100%
<b>Defence International Engagement</b>			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF	Meet	Met	Meet
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	60%	60%	90%
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

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Assessment of Performance</b>			
<b>Defence Support to the Community</b>			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
Percentage of 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%
<b>Military Assistance to Civil Authorities in Non-Emergency Situations</b>			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities.			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction	100%	100%	100%
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support significant military anniversaries, nationally recognised commemorative events and significant commemorative events overseas	100%	100%	100%
Percentage of requests met to provide representational staff for the Viceregal House, military guards, suitably tailored for the occasion, military bands, air, land and sea transport and associated support for viceregal activities	100%	100%	100%
Percentage of requests met to provide air, land and sea transport for members of the Government and guests of the State to support the Government's internal and external transportation requirements	100%	100%	100%

Assessment of Performance	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
<b>Resource and Border Protection Operations</b>			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Percentage of information on maritime traffic, suitably adapted for civil needs, that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand	100%	100%	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	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%

The increase in the Budget Standards for 2022/23 in the above table are due to the lifting of the COVID-19 international travel restrictions.

### *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 2023 to be presented in the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Defence Force Remuneration	2022/23	-	3,468	3,468	3,468	3,468
Defence Force Construction Cost Pressures	2022/23	-	480	400	-	-
Defence Force Supply Chain Cost Pressures	2022/23	-	126	126	126	126
Depreciation on Asset Revaluation	2021/22	4,117	4,117	4,117	4,117	4,117
Defence Force Depreciation Funding Shortfall	2021/22	4,875	9,698	14,625	14,625	14,625
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	15,219	12,594	30,116	30,695	30,821
Defence White Paper 2016 Operating Initiative	2018/19	13,060	13,060	13,060	13,060	13,060

### *Reasons for Change in Appropriation*

This appropriation decreased by \$107.951 million to \$531.376 million for 2022/23 due to:

- decreased funding of \$111.800 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
- decreased funding of \$1.896 million relating to the recovery of building costs from third parties for the Youth Development Unit Facility in Whenuapai
- decreased funding of \$1.500 million for the alignment of funding to the delivery of outputs
- decreased funding of \$1.208 million that was transferred to 2021/22 for the Pacific Leader Development Programme
- decreased funding of \$945,000 to reflect the phasing of the acquisition, implementation and operation of the Boeing P-8A Poseidon Aircraft, and
- decreased funding of \$483,000 for the reduction in the capital charge rate from 6% to 5%.

This has been partially offset by:

- increased funding of \$4.823 million to correct a historical depreciation issue and for the increase in the depreciation expense as a result of the revaluation of assets, capital investments and committed capital spends
- increased funding of \$3.468 million for remuneration
- increased funding of \$724,000 relating to the reduction in Limited Service Volunteer Programme in 2021/22 due to the cancellation or reduction in size of courses due to COVID-19 restrictions
- increased funding of \$480,000 for construction cost pressures
- increased funding of \$260,000 which was transferred from this appropriation in 2021/22 to assist with the self-defence of Ukraine, and
- increased funding of \$126,000 for supply chain cost pressures.