

Vote Defence Force

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

APPROPRIATION ADMINISTRATOR: New Zealand Defence Force

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Overview of the Vote

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling just under \$3,070 million for the 2015/16 financial year.

This includes just over \$2,440 million for departmental output expenses covering the following:

- a total of just under \$1,994 million on Air, Army and Navy capabilities prepared for joint operations to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand. These are held at appropriate levels of capability and preparedness to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts. Most of these forces will also contribute to a range of services to other government departments and the New Zealand community when not committed to operations overseas, and
- a total of just over \$446 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, about \$8 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2015/16. The remainder is funded from Revenue Crown.

There is also a capital expenditure appropriation of up to \$630 million for the purchase of assets.

The Minister of Veterans' Affairs is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling just over \$144 million for the 2015/16 financial year.

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

Details of Appropriations and Capital Injections

Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2014/15		2015/16
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	737,300	725,943	759,556
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	700,000	689,217	742,312
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	454,000	447,006	491,887
Total Departmental Output Expenses	1,891,300	1,862,166	1,993,755
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	548,204	548,204	629,617
Total Departmental Capital Expenditure	548,204	548,204	629,617
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	746
Support for Veterans and Their Families (M75) This appropriation is limited to providing for the support of veterans and their families. This includes the provision of counselling for veterans' families; the reimbursement of out of pocket expenses for veterans' children with specified conditions; additional support for veterans to facilitate them remaining in their own homes for as long as possible; additional support to facilitate veterans' rehabilitation; support for the surviving partner after the death of the veteran and for the provision of grants to Non-Government Organisations for the support of veterans and their families.	1,127	1,127	497
Total Non-Departmental Output Expenses	1,873	1,873	1,243
Benefits or Related Expenses			
Assessments, Treatment & Rehabilitation (M75) This appropriation is limited to the payment of the costs of assessments, treatment (including associated aids and appliances), and social and vocational rehabilitation provided for under the Veterans' Support Act 2014 and associated regulations.	10,045	8,245	14,595
Special Annuities (M75) This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.	38	37	37
Veterans' Independence Programme (M75) This appropriation is limited to provision of services and support to assist eligible veterans and their families.	-	-	6,891

Titles and Scopes of Appropriations by Appropriation Type	2014/15		2015/16
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Benefits or Related Expenses - cont'd			
Veterans Support Entitlement (M75) This appropriation is limited to the payment of entitlements (in respect of the impairment or death of veterans determined to be related to qualifying operational service occurring at any time or qualifying routine service occurring prior to 1 April 1974) to veterans and their spouses, partners, children and dependants under the Veterans' Support Act 2014 and associated regulations and to the provision for grandparented loans of the differential between 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941 for interest concessions on land and buildings.	67,538	65,738	111,134
Medical Treatment (M75) This appropriation is limited to the payment of assessment costs as set out in the War Pensions Regulations 1956 for War Disablement Pension applications and reviews, medical treatment costs for accepted service-related disabilities, and the costs of appliances and aids required as a result of an accepted disability.	7,001	7,001	-
War Disablement Pensions (M75) This appropriation is limited to the payment of War Disablement Pensions to ex-service people who have a disability attributable to, or aggravated by, service in a declared war or emergency at any time, or in routine service prior to 1 April 1974 as set out in the War Pensions Act 1954, the payment of Surviving Spouse Pensions as set out in the War Pensions Act 1954 and the payment of allowances as set out in the War Pensions Act 1954 and the War Pensions Regulations 1956. This appropriation is also limited to the provision for grandparented loans of the differential between the 3% or 5% Rehabilitation Loan rate and the current market rate as set out in the Rehabilitation Act 1941 for interest concessions on land and buildings.	50,616	50,616	-
Total Benefits or Related Expenses	135,238	131,637	132,657
Non-Departmental Other Expenses			
Debt Write-Down for Benefits and Other Unrequited Expenses (M75) This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles.	250	250	250
Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75) This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam veterans.	1,000	1,000	1,100
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	2,928	2,928	203
Total Non-Departmental Other Expenses	4,178	4,178	1,553

Titles and Scopes of Appropriations by Appropriation Type	2014/15		2015/16
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) The overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	10,766	10,600	10,746
<i>Departmental Output Expenses</i>			
<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.	5,163	5,083	5,157
<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.	3,699	3,642	3,708
<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.	1,904	1,875	1,881
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) The overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.	27,382	26,960	44,525
<i>Departmental Output Expenses</i>			
<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.	25,982	25,582	40,404
<i>Military Operations that Contribute to Regional Security</i> 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.	1,400	1,378	4,121
Policy Advice And Other Services For Veterans MCA (M75) The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.	10,500	10,338	9,047
<i>Departmental Output Expenses</i>			
<i>Administration Services</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, 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.	3,000	2,954	2,246
<i>Policy Advice</i> 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.	500	492	221
<i>Services and Payments to Veterans</i> This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.	7,000	6,892	6,580

Titles and Scopes of Appropriations by Appropriation Type	2014/15		2015/16
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure - cont'd			
Protection of New Zealand and New Zealanders MCA (M22)	396,979	390,863	391,053
The overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.			
<i>Departmental Output Expenses</i>			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i>	64,000	63,014	60,747
This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.			
<i>Defence International Engagement</i>	86,448	85,116	98,534
This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.			
<i>Defence Support to the Community</i>	46,375	45,661	45,141
This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i>	33,156	32,645	33,732
This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.			
<i>Resource and Border Protection Operations</i>	167,000	164,427	152,899
This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Total Multi-Category Expenses and Capital Expenditure	445,627	438,761	455,371
Total Annual and Permanent Appropriations	3,026,420	2,986,819	3,214,196

Capital Injection Authorisations

	2014/15		2015/16
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22)	20,100	20,100	1,000

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
Building Partner Capability	Operations Contributing to New Zealand's Security, Stability and Interests Department Output Expenses	-	15,526	9,847	-	-
Defence Mid-Point Rebalancing Review (DMRR) Initiative	Air Force Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	311	16,206	21,814	21,814
	Army Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	306	15,764	21,272	21,272
	Navy Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	203	10,620	13,875	13,875
	Policy Advice and Other Services for Veterans Department Output Expenses	-	4	192	258	258
	Advice to Government Department Output Expenses	-	4	231	312	312
	Operations Contributing to New Zealand's Security, Stability and Interests Department Output Expenses	-	19	861	877	877
	Protection of New Zealand and New Zealanders Department Output Expenses	-	161	8,184	11,050	11,050
	Total			1,008	52,058	69,458

Policy Initiative	Appropriation	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
New Digital Radios and Associated Equipment	Air Force Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	2,295	3,519	4,366	4,366
	Army Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	2,242	3,422	4,257	4,257
	Navy Capabilities Prepared for Joint Operations and Other Tasks Department Output Expenses	-	1,486	2,305	2,777	2,277
	Policy Advice and Other Services for Veterans Department Output Expenses	-	33	50	63	63
	Advice to Government Department Output Expenses	-	134	187	175	175
	Operations Contributing to New Zealand's Security, Stability and Interests Department Output Expenses	-	28	43	51	51
	Protection of New Zealand and New Zealanders Department Output Expenses	-	1,182	1,774	2,211	2,211
	Total			7,400	11,300	13,900
Total Initiatives		-	23,934	73,205	83,358	83,358

1.2 - Trends in the Vote

Summary of Financial Activity

	2010/11	2011/12	2012/13	2013/14	2014/15		2015/16			2016/17	2017/18	2018/19
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	2,203,278	2,154,512	2,205,162	2,234,438	1,893,173	1,864,039	1,993,755	1,243	1,994,998	2,029,532	2,024,874	2,024,874
Benefits or Related Expenses	156,158	148,504	140,510	135,489	135,238	131,637	N/A	132,657	132,657	128,856	124,072	120,208
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,366	2,459	735	2,709	4,178	4,178	-	1,553	1,553	1,553	1,553	1,553
Capital Expenditure	260,791	268,041	232,535	428,987	548,204	548,204	629,617	-	629,617	498,721	521,205	521,205
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	445,627	438,761	455,371	-	455,371	450,831	444,033	444,033
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	2,622,593	2,573,516	2,578,942	2,801,623	3,026,420	2,986,819	3,078,743	135,453	3,214,196	3,109,493	3,115,737	3,111,873
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

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

1.3 - Analysis of Significant Trends

Departmental Output Expenses

The major movements in annual Output Expense appropriations between 2010/11 and 2018/19 have arisen due to:

- new funding as a result of the Defence Mid-Point Rebalancing Review
- expense transfers and transfers of underspends between years
- technical budget changes such as changes in capital charge and third party revenue adjustments, and
- changes to activity levels for Operationally Deployed Forces.

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

Other Expenses

The trend in Other Expenses appropriations shown in the trends table between 2010/11 and 2018/19 reflects generally smooth activity impacted by occasional write down of Veterans' loans.

Capital Expenditure

The Capital Expenditure appropriations shown in the trends table between 2010/11 and 2018/19 reflects the agreed level of investment in the NZDF as a result of the DMRR.

Benefits or Related Expenses

The major movements in annual Benefits or Related Expenses appropriations between 2010/11 and 2015/16 are due primarily to a decline in the number of veterans receiving a War Disablement Pension.

1.4 - Reconciliation of Changes in Appropriation Structure

2014/15 Appropriations in the 2014/15 Structure	2014/15 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2014/15 Appropriations in the 2015/16 Structure	2014/15 (Restated) \$000	2015/16 \$000
Support for Veterans and Their Families	1,127	Support for Veterans and Their Families	(530)	Support for Veterans and Their Families	597	497
Veterans Support Entitlement	65,450	Veterans Support Entitlement	(6,361)	Veterans Support Entitlement	59,089	111,134
		Veterans' Independence Programme	6,891	Veterans' Independence Programme	6,891	6,891

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

Scope of Appropriation

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

Expenses and Revenue

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	737,300	725,943	759,556
Revenue from the Crown	735,094	735,094	757,582
Revenue from Others	2,206	2,206	1,974

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the following:

- a surveillance and response capability prepared to be employed on sea control operations
- a surveillance capability prepared for deployment on surveillance and response tasks for maritime interdiction operations
- a naval air combat capability for embarkation in surface ships
- a surveillance and response capability prepared to support special operations forces in the land and maritime environments
- a strategic airlift capability prepared to deploy, sustain and recover deployed forces
- a tactical airlift 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 combat search and recovery operations.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval operations capabilities prepared for naval air operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for sea control and surveillance operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide security and stability capabilities prepared for tactical airlift. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide security and stability capabilities prepared for tactical air mobility. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for strategic airlift. (New standard for 2015/16).	Meet	Met	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
Defence Mid Point Rebalancing Review - Funding Track	2015/16	-	311	16,206	21,814	21,814
New Digital Radios and Associated Equipment	2015/16	-	2,295	3,519	4,366	4,366
Defence Mid Point Rebalancing Review - Funding Track	2014/15	60,521	46,840	91,376	91,376	91,376

Reasons for Change in Appropriation

This appropriation increased by \$22 million to \$760 million for 2015/16. This increase relates to funding as a result of the Defence Mid Point Rebalancing Review, a review of the output allocation model, and an expense transfer of depreciation funding to out-years.

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

Scope of Appropriation

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

Expenses and Revenue

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	700,000	689,217	742,312
Revenue from the Crown	699,017	699,017	741,429
Revenue from Others	983	983	883

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the following:

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

How Performance will be Assessed and End of Year Reporting Requirements

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for special operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for combined arms operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations. (New standard for 2015/16).	Meet	Met	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
Defence Mid-Point Rebalancing Review - Funding Track	2015/16	-	306	15,764	21,272	21,272
New Digital Radios and Associated Equipment	2015/16	-	2,242	3,422	4,257	4,257
Defence Mid-Point Rebalancing Review - Funding Track	2014/15	12,273	17,952	27,868	27,868	27,868

Reasons for Change in Appropriation

This appropriation increased by \$42 million to \$742 million for 2015/16. This increase relates to funding as a result of the Defence Mid Point Rebalancing Review, changes due to a review of the output allocation model, and an expense transfer of depreciation funding to out-years.

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

Scope of Appropriation

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

Expenses and Revenue

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	454,000	447,006	491,887
Revenue from the Crown	452,793	452,793	490,564
Revenue from Others	1,207	1,207	1,323

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the following:

- a naval combat capability with ships and organic aircraft prepared to conduct sea-control 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
- 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	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for sea control operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide naval combat capabilities prepared for maritime interdiction operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for amphibious sealift. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for replenishment. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide projection and sustainment capabilities prepared for littoral warfare support. (New standard for 2015/16).	Meet	Met	100%
Percentage of Government directed readiness levels achieved and maintained to provide maritime trade operations capabilities prepared for naval guidance and supervision of shipping. (New standard for 2015/16).	Meet	Met	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
Defence Mid-point Rebalancing Review - Funding Track	2015/16	-	203	10,620	13,875	13,875
New Digital Radios and Associated Equipment	2015/16	-	1,486	2,305	2,777	2,777
Defence Mid-point Rebalancing Review - Funding Track	2014/15	8,337	6,693	23,507	23,507	23,507

Reasons for Change in Appropriation

This appropriation increased by \$38 million to \$492 million for the 2015/16. This relates to funding as a result of the Defence Mid Point Rebalancing Review, increase due to a review of the output allocation model, and an expense transfer of depreciation funding to out-years.

2.3 - Departmental Capital Expenditure and Capital Injections

New Zealand Defence Force - Capital Expenditure PLA (M22)

Scope of Appropriation

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

Capital Expenditure

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	541,104	541,104	608,017
Intangibles	7,100	7,100	21,600
Other	-	-	-
Total Appropriation	548,204	548,204	629,617

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

Expenditure supports the delivery of the department's output performance measures in accordance with the Mid-Point Rebalancing Review for 2015/16.

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 end 30 June 2016 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$81 million to \$630 million for 2015/16 to reflect the spending profile on major projects agreed in the Defence Force Mid-Point Rebalancing Review.

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

Details of Net Asset Schedule	2014/15 Estimated Actual \$000	2015/16 Projected \$000	Explanation of Projected Movements in 2015/16
Opening Balance	5,446,475	5,466,575	
Capital Injections	20,100	1,000	Final capital injections for Project Protector Remediation.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	5,466,575	5,467,575	

Part 3 - Details of Non-Departmental Appropriations

3.1 - Non-Departmental Output Expenses

Development and Maintenance of Services Cemeteries (M75)

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	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 Services Cemeteries.

How Performance will be Assessed and End of Year Reporting Requirements

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The annual maintenance and development works plan outcomes are achieved	New Measure	New Measure	95%
Services Cemeteries will be maintained to the satisfaction of Local Authorities, the RSA and veterans' representative organisations	Meet	Met	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Veterans' Affairs in a report to be appended to the NZDF Annual Report for the year ended 30 June 2016 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.

Support for Veterans and Their Families (M75)

Scope of Appropriation

This appropriation is limited to providing for the support of veterans and their families. This includes the provision of counselling for veterans' families, the reimbursement of out of pocket expenses for veterans' children with specified conditions; additional support for veterans to facilitate them remaining in their own homes for as long as possible; additional support to facilitate veterans' rehabilitation; support for the surviving partner after the death of the veteran and for the provision of grants to Non-Government Organisations for the support of veterans and their families.

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,127	1,127	497

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the support of veterans and their families.

How Performance will be Assessed and End of Year Reporting Requirements

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The services provided will be to the satisfaction of the veteran and/or the veteran's family	Meet	Met	95%
Works carried out under contract will comply with agreed contract standards	95%	95%	95%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Veterans' Affairs in a report to be appended to the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Service Providers

This appropriation is used to assist over 500 veterans to remain in their homes. Whilst some vendors are used reasonably frequently, there are no main service providers or prime vendor contracts in place. Services and service providers vary across lawns, gardens, windows, guttering and roofs, home cleaning, medical alarms, etc.

Reasons for Change in Appropriation

This appropriation decreased by \$630,000 to \$497,000 for 2015/16 due to the creation of the Veterans' Independence Programme from 7 December 2015.

3.2 - Non-Departmental Benefits or Related Expenses

Assessments, Treatment & Rehabilitation (M75)

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,045	8,245	14,595

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve support services to all veterans with qualifying routine or operational services and for up to one year, the surviving spouse or partner of a veteran whose death is attributable to service.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from performance reporting due to an exemption 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 \$4.500 million to \$14.600 million for 2015/16. This represents the first full year of the new appropriation which started 7 December 2014.

Special Annuities (M75)

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	38	37	37

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the payment of annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from performance reporting due to an exemption under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
Granting of Special Annuity to W.T.M Framhein	2012/13	15	15	15	15	15
Small increase to Special Annuity appropriation	2012/13	3	3	3	3	3

Conditions on Use of Appropriation

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

Veterans' Independence Programme (M75)

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	6,891

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Defence, Non-Departmental Outputs, Support for Veterans and their Families	1,127	1,127	530
Defence, Benefits or Related Expenses, Veterans Support Entitlement	65,450	65,450	6,361
Total	66,577	66,577	6,891

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve support for veterans to allow them to live independently in their home.

How Performance will be Assessed and End of Year Reporting Requirements

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Services and support provided will be to the satisfaction of the veteran and/or the veterans' family	New Measure	New Measure	100%
Contracted services and support complies with agreed contract standards	New Measure	New Measure	100%

End of Year Performance Reporting

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

Reasons for Change in Appropriation

The increase in this appropriation is due to the commencement as from 7 December 2015 with full year funding in 2016/17. This new Veterans' Independence Programme was fully funded by transfers of:

- \$530,000 from Support for Veterans and their Families leaving a balance of \$497,000 for 2015/16
- \$6 million from Veterans Support Entitlement leaving a balance of \$111 million for 2015/16.

The movement of \$60 million between 2014/15 and 2015/16 shown in the Comparators for Restructured Appropriation table above is due to the transfer of funding from the War Disablement Pension appropriation which ends in 2014/15.

Conditions on Use of Appropriation

Reference	Conditions
CAB Min(01) 12/9	Reimbursement of out-of-pocket health expenses for children of Vietnam and Operation Grapple veterans with spina bifida manifesto and cleft lip/palate. Travel assistance for children of Vietnam and Operation Grapple veterans when referred genetic counselling.
	Provision of family/psychological counselling for families of Vietnam and Operation Grapple veterans.
Veterans' Support Act 2014	Provision of Attendant Allowance, Travel Concessions and Allowance, and home help services and support to assist eligible veterans and their families in accordance with the Veterans' Support Act 2014.
Grant Payments	Provision of grant payments to Non-Government Organisations for the support of veterans and their families.

Veterans Support Entitlement (M75)

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	67,538	65,738	111,134

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve support services to all veterans with qualifying routine or operational service and for up to one year, the surviving spouse or partner of a veteran whose death is attributable to service.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from performance reporting due to an exemption under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Reasons for Change in Appropriation

The appropriation increased by \$44 million to \$111 million for 2015/16. This increase reflects the first full year as this appropriation commenced from 7 December 2014.

3.4 - Non-Departmental Other Expenses

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

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	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

This appropriation is exempt from performance reporting due to an exemption under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)*Scope of Appropriation*

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,000	1,000	1,100

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the payment of ex-gratia payments to eligible Vietnam veterans and/or members of their families and annual comprehensive medical assessments for Vietnam veterans.

How Performance will be Assessed and End of Year Reporting Requirements

This appropriation is exempt from performance reporting due to an exemption under s15D(2)(b)(iii) of the Public Finance Act 1989 as the amount for this annual appropriation is less than \$5 million.

Conditions on Use of Appropriation

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

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

Scope of Appropriation

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

Expenses

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,928	2,928	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

This appropriation is exempt from performance reporting due to an exemption under s15D(2)(b)(ii) of the Public Finance Act 1989 as performance information is unlikely to be informative.

Reasons for Change in Appropriation

This appropriation decreased by \$2.700 million in 2015/16 due to a one-off impairment of the veterans trusts' loan in 2014/15. This impairment was required to comply with generally accepted accounting practice.

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

Multi-Category Expenses and Capital Expenditure

Advice to the Government (M22)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Policy Advice

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

Situational Awareness

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

Supporting Ministers

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

Expenses, Revenue and Capital Expenditure

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,766	10,600	10,746
Departmental Output Expenses			
Policy Advice	5,163	5,083	5,157
Situational Awareness	3,699	3,642	3,708
Supporting Ministers	1,904	1,875	1,881
Funding for Departmental Output Expenses			
Revenue from the Crown	10,766	10,766	10,746
Policy Advice	5,163	5,163	5,157
Situational Awareness	3,699	3,699	3,708
Supporting Ministers	1,904	1,904	1,881
Revenue from Others	-	-	-
Policy Advice	-	-	-
Situational Awareness	-	-	-
Supporting Ministers	-	-	-

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The supply of high quality individual products, as shown in the tables below	Meet	Met	Meet

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

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Departmental Output Expenses			
Policy Advice			
This category is intended to achieve the provision of accurate, timely and responsive policy advice.			
The provision of policy advice to the Government and contribution to policy advice led by other agencies that is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities.	Meet	Met	Meet
The satisfaction of the Minister of Defence with the policy advice service, as per the common satisfaction survey.	At least 90%	At least 90%	At least 90%
Technical quality of policy advice papers assessed by a survey with a methodical robustness of 90%. (The higher the robustness score, the stronger the methodical quality of the completed assessment).	At least an average of 70%	At least an average of 70%	At least an average of 70%
The total cost per hour of producing policy advice outputs.	At most \$150	At most \$150	At most \$150
Situational Awareness			
This category is intended to achieve the provision of timely, accurate and high-quality intelligence support.			
The percentage of timely and high-quality reports that meet expectations to inform the Government of matters of foreign defence interest and support the Government's decision-making processes. (New standard for 2015/16).	Meet	Met	Not less than 90%
Supporting Ministers			
This category is intended to achieve the provision of quality and timely support to Ministers.			
The percentage of timely, accurate and high-quality advice that meets expectations to support Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations. (New standard for 2015/16).	Meet	Met	Not less than 90%

End of Year Performance Reporting

Performance will be reported by the Chief of Defence in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Military Operations in Support of a Rules-Based International Order

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

Military Operations that Contribute to Regional Security

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

Expenses, Revenue and Capital Expenditure

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	27,382	26,960	44,525
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	25,982	25,582	40,404
Military Operations that Contribute to Regional Security	1,400	1,378	4,121
Funding for Departmental Output Expenses			
Revenue from the Crown	27,074	27,074	44,216
Military Operations in Support of a Rules-Based International Order	25,719	25,719	40,140
Military Operations that Contribute to Regional Security	1,355	1,355	4,076
Revenue from Others	308	308	309
Military Operations in Support of a Rules-Based International Order	263	263	264
Military Operations that Contribute to Regional Security	45	45	45

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Operations Contributing to New Zealand's Security, Stability and Interests MCA			
Achieve the conduct of military operations and other tasks that support the Government's strategic interests	Meet	Met	Meet
Enhance all-of-government capacity to respond to regional crises	Meet	Met	Meet

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

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order			
This category is intended to achieve the provision of military operations to support a rules-based international order			
<i>Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 2015):</i>			
Contribute to United Nations Mission UNTSO (Middle East) [Operation Scoria]	Meet	Met	Meet
Contribute to United Nations Mission UNMISS (South Sudan) [Operation Sudden]	Meet	Met	Meet
Contribute to United Nations Mission UNCMAC (Republic of Korea) [Operation Monitor]	Meet	Met	Meet
<i>Lead and contribute to regional contingency military operations, as listed (No mandated operations)</i>			
Contribute military forces to MFO Sinai (Operation Farad)	Meet	Met	Meet
Contribute military forces to Operation Ariki (Afghanistan) [Operation Kea]	Meet	Met	Renamed Operation Rua II
Contribute military forces to Operation Ariki (Afghanistan) [Operation Rua II with effect from April 2015]	N/A	N/A	Meet
Contribute liaison officers to CENTCOM (Tampa, Florida, USA)	Meet	Met	Meet
Contribute military forces to Operation Troy (Middle East)	Meet	Met	Meet
Contribute military forces to Intelligence Support Group (Afghanistan) [Operation Kea]. Mission ceased with effect from July 2014	Meet	Met	Expired Measure
Contribute military forces to Operation Ariki (Afghanistan) [Operation Affirm]. Mission ceased with effect from March 2014	Meet	Met	Expired Measure
Contribute military forces to Operation Tiki VII (Gulf of Aden)	Meet	Met	Renamed Operations Takapu and Pukeko
Contribute military forces to Operation Takapu (Air Component - Gulf of Aden) with effect from December 2014 [New measure]	N/A	Met	Meet

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Contribute military forces to Operation Pukeko (Liaison officers to the Combined Maritime Force - Gulf of Aden) with effect from December 2014 [New measure]	N/A	Met	Meet
Contribute military forces to Operation Haku with effect May 2015 (Gulf of Aden) [New measure]	N/A	N/A	Meet
Contribute to Operation Mohua with effect from February 2015 (Middle East) [New measure]	N/A	N/A	Meet
Contribute to Operation Manawa with effect from February 2015 (Iraq) [New measure]	N/A	N/A	Meet
Military Operations that Contribute to Regional Security			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests.			
Percentage of the agreed notice to move met for a Joint Task Force comprising relevant force elements and military capabilities to assist with regional humanitarian assistance and disaster relief missions when directed. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%

End of Year Performance Reporting

Performance will be reported by the Chief of Defence in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Reasons for Change in Appropriation

This appropriation increased by \$17 million to \$44.500 million for 2015/16 predominantly due to new funding for the building of partner capability.

Policy Advice And Other Services For Veterans (M75)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Administration Services

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

Policy Advice

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

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

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	10,500	10,338	9,047
Departmental Output Expenses			
Administration Services	3,000	2,954	2,246
Policy Advice	500	492	221
Services and Payments to Veterans	7,000	6,892	6,580
Funding for Departmental Output Expenses			
Revenue from the Crown	10,023	10,023	8,570
Administration Services	3,000	3,000	2,246
Policy Advice	500	500	221
Services and Payments to Veterans	6,523	6,523	6,103
Revenue from Others	477	477	477
Administration Services	-	-	-
Policy Advice	-	-	-
Services and Payments to Veterans	477	477	477

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision of policy advice, other support to Ministers in discharging their policy decision making and other portfolio responsibilities, and the provision of services and payments to veterans.

How Performance will be Assessed for this Appropriation

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Policy Advice and Other Services for Veterans MCA			
The degree of satisfaction expressed by veterans requesting assistance	Meet	Met	100%
Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the resources available	Meet	Met	100%

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

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Departmental Output Expenses			
Administration Services			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision making) responsibilities, assisting with the coordination of commemorations and the provision of administration services to relevant boards and panels and contracts for work carried out in Services Cemeteries			
<i>Provide Ministerial Servicing and Support:</i>			
Replies to requests within 20 working days, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
<i>Provide Administration to Boards and Panels as set out in the Veterans' Support Act 2014:</i>			
Arrangements and actions meet Board/Panel requirements	100%	100%	100%
<i>Administration of maintenance and development agreements and contracts for service for Services Cemeteries:</i>			
Contracts to be current, legally correct and clearly specify maintenance and development requirements	100%	100%	100%
Services cemeteries will have maintenance agreements specifying the maintenance standards in place	100%	100%	100%
<i>Assist with the coordination of New Zealand's participation in the commemoration of significant military anniversaries:</i>			
Participation will be delivered in accordance with agreed parameters and budget	Meet	Met	100%

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Policy Advice			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on Government policy matters relating to Veterans' Affairs			
Replies to requests within 20 working days, if not otherwise specified	95%	95%	95%
The first drafts of all policy products presented to the Minister will be accepted	95%	95%	95%
The satisfaction of the Minister of Veterans' Affairs with the policy advice service, as per the common satisfaction survey	New Measure	New Measure	80%
Services and Payments to Veterans			
This category is intended to achieve the assessment, determination, review and appeal of entitlements and services to veterans and their spouses, children and dependants, provided for under the Veterans' Support Act 2014 (including grand-parented entitlements and services under the repealed War Pensions Act 1954 where claims were lodged before 7 December 2014), the assessment and review of eligibility for burial in Services Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management services for veterans and their families			
<i>Assessments and Reviews:</i>			
Where all information is provided, Veterans' Affairs will make a decision on the claim within 30 working days of it being received	New Measure	New Measure	100%
All amendments to and replacements of, Statements of Principles (SOPs), are reported to the Veterans' Health Advisory Panel for consideration and decisions by the Minister of Veterans' Affairs regarding adoption	New Measure	New Measure	100%
Reviews will be completed within three months of receipt	New Measure	New Measure	100%
<i>Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans:</i>			
Ex-Service memorials will be factually correct, meet technical specifications as contracted and be correctly installed	99.5%	99.5%	100%
Where correct documentation has been supplied with the application, an ex-service memorial will be manufactured and installed within four months of receipt of the order	75%	75%	90%
<i>Provide Case Management:</i>			
Within five working days of accepting a veteran's claim for entitlements Veterans' Affairs must appoint a Case Manager	New Measure	New Measure	95%
Combined annual Veteran Survey rating of Case Management interaction either excellent, very good or good is at least 95%	New Measure	New Measure	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	New Measure	New Measure	100%
<i>Deal with Enquiries:</i>			
Calls will be resolved on first contact	90%	90%	90%
Calls will be resolved within five working days	100%	100%	100%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2016 to be presented to the House.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2014/15 Budgeted \$000	2015/16 Budget \$000	2016/17 Estimated \$000	2017/18 Estimated \$000	2018/19 Estimated \$000
2015 Anniversary of Gallipoli	2013/14	450	-	-	-	-
Government Response to Law Commission's Report on War Pensions Act 1954	2012/13	337	570	487	-	-

Reasons for Change in Appropriation

This appropriation decreased by \$1.500 million to \$9 million for 2015/16 due to a review of the output allocation model.

Conditions on Use of Appropriation

Reference	Conditions
Extant Policy	Policy complies with the War Pensions Act 1954 and Veterans' Support Act 2014
Technical specifications for ex-service memorials	Ex-service memorials must meet specified size, material composition and finish as per the relevant contract specifications.
Eligibility for ex-service memorials	Decision on eligibility for ex-service memorials will be made on the basis of Section 15 of the Burial and Cremation Act 1964.

Protection of New Zealand and New Zealanders (M22)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

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

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

Defence International Engagement

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

Defence Support to the Community

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

Military Assistance to Civil Authorities in Non-Emergency Situations

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

Resource and Border Protection Operations

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

Expenses, Revenue and Capital Expenditure

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	396,979	390,863	391,053
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	64,000	63,014	60,747
Defence International Engagement	86,448	85,116	98,534
Defence Support to the Community	46,375	45,661	45,141
Military Assistance to Civil Authorities in Non-Emergency Situations	33,156	32,645	33,732
Resource and Border Protection Operations	167,000	164,427	152,899

	2014/15		2015/16
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	384,100	384,100	387,780
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	63,933	63,933	60,685
Defence International Engagement	83,803	83,803	95,891
Defence Support to the Community	36,718	36,718	45,120
Military Assistance to Civil Authorities in Non-Emergency Situations	33,155	33,155	33,732
Resource and Border Protection Operations	166,491	166,491	152,352
Revenue from Others	12,879	12,879	3,273
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	67	67	62
Defence International Engagement	2,645	2,645	2,643
Defence Support to the Community	9,657	9,657	21
Military Assistance to Civil Authorities in Non-Emergency Situations	1	1	-
Resource and Border Protection Operations	509	509	547

What is Intended to be Achieved with this Appropriation

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

How Performance will be Assessed for this Appropriation

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	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

	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Percentage of the levels of operational capability and readiness as directed met to maintain the national counter-terrorist capability. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%
Percentage of agreed notice to move met for the specialised Counter-Terrorist Group to respond to New Zealand Police requests for assistance. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%
Subject to the availability of resources, the percentage of requests met to assist New Zealand Police law enforcement operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of contingency forces and specialised military capabilities available to assist the civil power deal with major disasters when not deployed on operations. (New standard for 2015/16).	Meet	Met	100%
Percentage of agreed notice to move met for specialised military capabilities to assist the civil power to move to conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas. (New standard for 2015/16).	Meet	Met	100%
Percentage of contingency plans in place to assist the civil power evacuate persons from high-risk environments in New Zealand. (New standard for 2015/16).	Meet	Met	100%
Percentage of requests met to augment the capacity of the New Zealand Fire Service and Rural Fire Authority to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%
Percentage of NZDF participation in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises. (New standard for 2015/16).	Meet	Met	100%
Defence International Engagement			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Ensure the programme of military engagement through a network of multilateral and bilateral military relationships provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF. (New standard for 2015/16).	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. (New standard for 2015/16).	Meet	Met	100%
Percentage of approved Senior Officer visit programme completed that maintains a strong network of professional relationships and complements the Government's broader foreign policy objectives. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Defence International Engagement - cont'd			
The NZDF remains well-informed about defence doctrine and advances in defence-related technology through: 1. maintaining active participation in specific military fora to enable the NZDF to remain well-informed about military doctrine, current military operations and future changes and exchanges of information related to the profession-of-arms; and 2. maintaining a network of relationships with external scientific and technology organisations that contribute to the development of solutions for the Government, the Defence Force, and New Zealand's national security agencies and supports the provision of military capability and promotion of security.	Meet	Met	Meet
Defence Support to the Community			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
Percentage of satisfaction with the NZDF's provision of leadership and skills training for the New Zealand Cadet Forces to develop confident, responsible young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	not less than 90%
Percentage of satisfaction of the Justice sector (Child, Youth and Family) to deliver the physical aspects of Military-Style Activity Camps and the development of discipline, routine and a sense of self-respect amongst the participants. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	not less than 90%

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Military Assistance to Civil Authorities in Non-Emergency Situations			
This category is intended to provide periodic Defence Force resources, services and non-emergency assistance to the Government and civil authorities.			
Percentage of requests met to provide military guards, suitably tailored for the occasion, military bands and associated support to support State ceremonial activities that represent the nation and meet the Government's direction. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	100%
Resource and Border Protection Operations			
This category is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Percentage of information on maritime traffic, suitably adapted for civil needs, that is passed to the National Maritime Coordination Centre in an actionable timeframe so that government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand. (New standard for 2015/16).	Meet	Met	100%
Percentage of the total agreed pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	not less than 90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	not less than 90%

Assessment of Performance	2014/15		2015/16
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Resource and Border Protection Operations - cont'd			
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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	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. (New standard for 2015/16).	Meet	Met	not less than 90%

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2016 to be presented in the House.

Reasons for Change in Appropriation

This appropriation decreased by \$6 million to \$391 million for 2015/16 due to a review of the output allocation model.