

Vote Defence Force

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

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

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Departmental Output Expenses			
Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	1,005,959	(40,195)	965,764
Army Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	979,154	(93,160)	885,994
Navy Capabilities Prepared for Joint Operations and Other Tasks (M22) (A27) This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	533,367	(33,583)	499,784
Total Departmental Output Expenses	2,518,480	(166,938)	2,351,542
Departmental Other Expenses			
Loss on Sale of Physical Assets (M22) (A27) This appropriation is limited to providing for the loss on sale of certain New Zealand Defence Force commercial properties.	-	7,260	7,260
Total Departmental Other Expenses	-	7,260	7,260
Departmental Capital Expenditure			
New Zealand Defence Force - Capital Expenditure PLA (M22) (A27) This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	808,071	48,324	856,395
Total Departmental Capital Expenditure	808,071	48,324	856,395
Non-Departmental Output Expenses			
Development and Maintenance of Services Cemeteries (M75) (A27) This appropriation is limited to the development and maintenance of Services Cemeteries.	746	-	746
Total Non-Departmental Output Expenses	746	-	746
Non-Departmental Other Expenses			
Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75) (A27) This appropriation is limited to the ex-gratia payments to Vietnam veterans and/or members of their family with accepted conditions and for the annual comprehensive medical assessments for Vietnam veterans.	1,100	-	1,100
Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75) (A27) This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	203	-	203
Grant Payments to Non-Government Organisations (M75) (A27) This appropriation is limited to grant payments to Non-Government Organisations in their support of veterans and their families.	275	2,530	2,805

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Impairment of Debt for Benefits or Related Expenses (M75) (A27) This appropriation is limited to the impairment and write-down of Crown Debt associated with previous payments of Benefits or Related Expenses administered by the New Zealand Defence Force.	250	-	250
Service Cost - Veterans' Entitlements (M75) (A27) This appropriation is limited to the present value of entitlements resulting from qualifying service or qualifying operational service in the current year or prior years, provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.	20,000	78,904	98,904
Unwind of Discount Rate - Veterans' Entitlements (M75) (A27) This appropriation is limited to the unwinding of the discount rate (interest expense) of the liability for the Veterans' entitlements provided for under Parts 3, 4 and 5 of the Veterans' Support Act 2014, and annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society as a part of their qualifying service or qualifying operational service.	40,000	-	40,000
Veteran Assistance to Attend Commemorations and Revisit Battlefields (M75) (A27) This appropriation is limited to providing assistance to veterans to enable them to attend official commemorations or revisit battlefields.	200	-	200
Total Non-Departmental Other Expenses	62,028	81,434	143,462
Multi-Category Expenses and Capital Expenditure			
Advice to the Government MCA (M22) (A27) The single overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.	17,258	(90)	17,168
Departmental Output Expenses			
<i>Policy Advice</i> This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.	3,914	(25)	3,889
<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.	11,315	(47)	11,268
<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.	2,029	(18)	2,011
Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22) (A27) The single overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.	30,797	(2)	30,795
Departmental Output Expenses			
<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.	30,288	(2)	30,286
<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.	509	-	509

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Titles and Scopes of Appropriations by Appropriation Type			
Policy Advice And Other Services For Veterans MCA (M75) (A27)	10,295	129	10,424
The single overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.			
Departmental Output Expenses			
Administration Services	2,960	(71)	2,889
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	230	-	230
This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.			
Services and Payments to Veterans	7,105	200	7,305
This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.			
Protection of New Zealand and New Zealanders MCA (M22) (A27)	523,494	81,755	605,249
The single overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.			
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	89,214	95,900	185,114
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	104,499	(3,316)	101,183
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	60,158	(1,134)	59,024
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	39,939	(1,105)	38,834
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	229,684	(8,590)	221,094
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	581,844	81,792	663,636
Total Annual Appropriations and Forecast Permanent Appropriations	3,971,169	51,872	4,023,041

Capital Injection Authorisations

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
New Zealand Defence Force - Capital Injection (M22) (A27)	717,714	(245,974)	471,740

Supporting Information

Part 1 - Vote as a Whole

1.2 - Trends in the Vote

Summary of Financial Activity

	2020/21				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	2,519,226	(166,938)	-	(166,938)	2,352,288
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	62,028	7,260	81,434	88,694	150,722
Capital Expenditure	808,071	48,324	-	48,324	856,395
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	581,844	81,792	-	81,792	663,636
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
Total Appropriations	3,971,169	(29,562)	81,434	51,872	4,023,041
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	-	N/A	-	-	-
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	-	N/A	-	-	-

Part 2 - Details of Departmental Appropriations

2.1 - Departmental Output Expenses

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	1,005,959	(40,195)	965,764
Revenue from the Crown	996,536	(40,353)	956,183
Revenue from Others	9,423	158	9,581

End of Year Performance Reporting

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide air surveillance and response capabilities prepared for counter sea and surveillance operations	100%	(5%)	95%
Percentage of Government directed readiness levels achieved and maintained to provide strategic air mobility capabilities prepared for inter-theatre air transport operations	100%	(15%)	85%

Reasons for Change in Appropriation

This appropriation decreased by \$40.195 million to \$965.764 million for 2020/21. This decrease relates to:

- decreased funding of \$32.346 million for the reduction in the capital charge rate
- decreased funding of \$6.900 million transferred to other appropriations as the New Zealand Defence Force delivered isolation facilities and border services in support of the Government's response to the COVID-19 pandemic
- decreased funding of \$3.465 million for the transfer of operating funding to capital funding for personnel working on capital projects
- decreased funding of \$3.040 million for the transfer of funding to future years for the relocation of Service personnel to align with the more detailed introduction into service plan for the P-8A Poseidon aircraft for future air surveillance, and

- decreased funding of \$521,000 for operating funding transferred to capital funding for property maintenance that has resulted in asset improvement.

This is partially offset by:

- increased funding of \$2.501 million for Cabinet approved funding for Future Air Mobility Capability (FAMC) project for the acquisition, implementation and operation of the C130J-30 Hercules aircraft
- increased funding of \$2.420 million for the transfer of funding from 2019/20 to 2020/21 for regeneration of Defence wide capabilities from the deferment of maintenance as a result of the COVID-19 pandemic
- increased funding of \$998,000 for the transfer of funding from 2019/20 to 2020/21 for delays in a diverse range of projects under the Defence Estate Regeneration Programme as a result of the COVID-19 pandemic, and
- increased funding of \$158,000 received from Service personnel for the provision of service housing and barracks.

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	979,154	(93,160)	885,994
Revenue from the Crown	963,606	(93,713)	869,893
Revenue from Others	15,548	553	16,101

End of Year Performance Reporting

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for global complex warfighting operations	100%	(100%)	0%
Percentage of Government directed readiness levels achieved and maintained to provide land combat capabilities prepared for regional stabilisation operations (see Note 1)	100%	(67%)	33%

Note 1 - The reduction in the Supplementary Estimates Standard for the end of 2020/21 for land combat capabilities prepared for global complex warfighting and regional stabilisation operations in the table above reflects the deployment of personnel in support of the All-of-Government response to the COVID-19 pandemic

Reasons for Change in Appropriation

This appropriation decreased by \$93.160 million to \$885.994 million for 2020/21. This decrease relates to:

- decreased funding of \$72.400 million transferred to other appropriations as the New Zealand Defence Force delivered isolation facilities and border services in support of the Government's response to the COVID-19 pandemic
- decreased funding of \$23.044 million for the reduction in the capital charge rate
- decreased funding of \$5.518 million for the transfer of operating funding to capital funding for personnel working on capital projects, and
- decreased funding of \$844,000 for operating funding transferred to capital funding for property maintenance that has resulted in asset improvement.

This is partially offset by:

- increased funding of \$3.900 million for delivery of 'Shovel Ready' Defence Estate maintenance in the Southern Region during 2020/21
- increased funding of \$1.400 million for the transfer of funding from 2019/20 to 2020/21 for delays in a diverse range of Defence capability projects as a result of the COVID-19 pandemic
- increased funding of \$1.283 million for the transfer of funding from 2019/20 to 2020/21 for delays in a diverse range of projects under the Defence Estate Regeneration Programme as a result of the COVID-19 pandemic
- increased funding of \$1.080 million for delivery of Enterprise Cloud Programme
- increased funding of \$553,000 received from Service personnel for the provision of service housing and barracks, and
- increased funding of \$430,000 for the transfer of funding from 2019/20 to 2020/21 for regeneration of Defence wide capabilities from the deferment of maintenance as a result of the COVID-19 pandemic.

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

Scope of Appropriation

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

Expenses and Revenue

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	533,367	(33,583)	499,784
Revenue from the Crown	526,495	(33,760)	492,735
Revenue from Others	6,872	177	7,049

End of Year Performance Reporting

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Percentage of Government directed readiness levels achieved and maintained to provide naval patrol capabilities prepared for domestic and regional resource and border protection operations	100%	(42%)	58%

Reasons for Change in Appropriation

This appropriation decreased by \$33.583 million to \$499.784 million for 2020/21. This decrease relates to:

- decreased funding of \$18.600 million transferred to other appropriations as the New Zealand Defence Force delivered isolation facilities and border services in support of the Government's response to the COVID-19 pandemic
- decreased funding of \$16.560 million for the reduction in the capital charge rate, and
- decreased funding of \$1.809 million for the transfer of operating funding to capital funding for personnel working on capital projects.

This decrease is partially offset by:

- increased funding of \$1.329 million for the transfer of funding from 2019/20 to 2020/21 for regeneration of Defence wide capabilities from the deferment of maintenance as a result of the COVID-19 pandemic
- increased funding of \$1.005 million for the transfer of funding from 2019/20 to 2020/21 for Defence Estate Regeneration Programme as a result of the COVID-19 pandemic
- increased funding of \$875,000 for the transfer of funding from 2019/20 to 2020/21 for delays in a diverse range of Defence wide capability projects as a result of COVID-19, and
- increased funding of \$177,000 received from Service personnel for the provision of service housing and barracks.

2.2 - Departmental Other Expenses

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

Scope of Appropriation

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

Expenses

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	7,260	7,260

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the provision for the loss on sale of certain New Zealand Defence Force commercial properties.

How Performance will be Assessed and End of Year Reporting Requirements

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Expenditure reflects the loss on sale of certain New Zealand Defence Force commercial properties	-	Met	Meet

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 2021 to be presented in the House.

Reasons for Change in Appropriation

This appropriation increased by \$7.260 million to \$7.260 million for 2020/21. This increase relates to an expense transfer of \$7.260 million from 2019/20 to 2020/21 for the loss on the disposal of NZDF property as part of Treaty settlements.

2.3 - Departmental Capital Expenditure and Capital Injections

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

Scope of Appropriation

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

Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	797,902	45,517	843,419
Intangibles	10,169	2,807	12,976
Other	-	-	-
Total Appropriation	808,071	48,324	856,395

Reasons for Change in Appropriation

This appropriation increased by \$48.324 million to \$856.395 million for 2020/21. This increase relates to:

- an increase in appropriation of \$57.125 million for the delivery of Future Air Mobility Capability project
- an increase in appropriation of \$26.637 million for the delivery of Protected Vehicle project
- an increase in appropriation of \$14.162 million for the delivery of Tranche 1 of the Ōhakea infrastructure Programme, and
- an increase in appropriation of \$7.155 million for the delivery of Operational and Regulatory Aviation Compliance Sustainment (ORACS) project: Phase One NH90 aircraft project.

This increase is partially offset by:

- a decrease of \$56.755 million relating to changes in the forecast assumptions regarding the timing of capital projects.

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

Details of Net Asset Schedule	2020/21 Main Estimates Projections \$000	2020/21 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2020/21
Opening Balance	7,749,834	7,741,146	Supplementary Estimates opening balance reflects the audited results as at 30 June 2020. The decrease in the opening balance can be explained by movements to and from the revaluation reserve.
Capital Injections	717,714	471,740	Capital injections are to enhance and maintain the capability of the New Zealand Defence Force in line with the Defence White Paper 2016 and the Defence Capability Plan 2019. Capital injections decreased by \$245.974 million. This decrease relates to a decrease of \$473.616 million for capital injections transferred to 2021/22 and 2022/23. This is offset by an increase of \$152.590 million for capital injections transferred forward from 2019/20, an increase of \$57.099 million for new capital injections approved as part of Future Air Mobility Capability project, an increase of \$12.503 million for capital injections for personnel working on capital projects, an increase of \$3.840 million for capital injections for State Sector Decarbonisation - Base Burnham Boiler replacement, and an increase of \$1.610 million for capital injections for property maintenance that has resulted in asset improvement.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	39,878	Other movements in taxpayer funds can be explained by retention of the 2019/20 surplus resulting from insurance proceeds of \$26.873 million and labour for Defence projects that has resulted in asset improvement of \$13.005 million.
Closing Balance	8,467,548	8,252,764	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

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.

Reasons for Change in Appropriation

This appropriation increased by \$2.530 million to \$2.805 million due to a grant to the Royal New Zealand Returned and Services Association to assist in maintaining current support levels to veterans and to deliver services despite COVID-19 challenges.

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.

Reasons for Change in Appropriation

This appropriation increased by \$78.904 million to \$98.904 million for 2020/21 due to previous deployments being retrospectively declared as qualifying operational service at a cost of \$78.384 million, and amendments made to the Veterans' Support Act 2014 that increased the level of support available to veterans and their families, at a cost of \$10.520 million (\$10 million of this amount was met from within existing baselines).

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

4 - Multi-Category Expenses and Capital Expenditure

Advice to the Government (M22) (A27)

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Policy Advice

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

Situational Awareness

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

Supporting Ministers

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

Expenses, Revenue and Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	17,258	(90)	17,168
Departmental Output Expenses			
Policy Advice	3,914	(25)	3,889
Situational Awareness	11,315	(47)	11,268
Supporting Ministers	2,029	(18)	2,011
Funding for Departmental Output Expenses			
Revenue from the Crown	17,217	(90)	17,127
Policy Advice	3,903	(25)	3,878
Situational Awareness	11,293	(47)	11,246
Supporting Ministers	2,021	(18)	2,003

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Revenue from Others	41	-	41
Policy Advice	11	-	11
Situational Awareness	22	-	22
Supporting Ministers	8	-	8

Reasons for Change in Appropriation

This appropriation decreased by \$90,000 to \$17.168 million for 2020/21. This decrease relates to:

- decreased funding of \$46,000 for the reduction in the capital charge rate, and
- decreased funding of \$44,000 for the transfer of operating funding to capital funding for personnel working on capital projects.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Military Operations in Support of a Rules-Based International Order

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

Military Operations that Contribute to Regional Security

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

Expenses, Revenue and Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	30,797	(2)	30,795
Departmental Output Expenses			
Military Operations in Support of a Rules-Based International Order	30,288	(2)	30,286
Military Operations that Contribute to Regional Security	509	-	509

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Funding for Departmental Output Expenses			
Revenue from the Crown	30,488	(2)	30,486
Military Operations in Support of a Rules-Based International Order	30,024	(2)	30,022
Military Operations that Contribute to Regional Security	464	-	464
Revenue from Others	309	-	309
Military Operations in Support of a Rules-Based International Order	264	-	264
Military Operations that Contribute to Regional Security	45	-	45

Reasons for Change in Appropriation

This appropriation decreased by \$2,000 to \$30.795 million for 2020/21. This decrease relates to decreased funding of \$2,000 for the reduction in the capital charge rate.

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

Overarching Purpose Statement

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

Scope of Appropriation

Departmental Output Expenses

Administration Services

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

Policy Advice

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

Services and Payments to Veterans

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

Expenses, Revenue and Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,295	129	10,424
Departmental Output Expenses			
Administration Services	2,960	(71)	2,889
Policy Advice	230	-	230
Services and Payments to Veterans	7,105	200	7,305
Funding for Departmental Output Expenses			
Revenue from the Crown	10,295	129	10,424
Administration Services	2,960	(71)	2,889
Policy Advice	230	-	230
Services and Payments to Veterans	7,105	200	7,305

Reasons for Change in Appropriation

This appropriation increased by \$129,000 to \$10.424 million for 2020/21. This increase relates to increased funding of \$200,000 for Veterans' Health Connect. This was offset by decreased funding of \$71,000 for the reduction in the capital charge rate.

Protection of New Zealand and New Zealanders (M22) (A27)*Overarching Purpose Statement*

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

*Scope of Appropriation***Departmental Output Expenses***Assistance to the Civil Power and Provision of a Public Service in Emergency Situations*

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

Defence International Engagement

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

Defence Support to the Community

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

Military Assistance to Civil Authorities in Non-Emergency Situations

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

Resource and Border Protection Operations

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

Expenses, Revenue and Capital Expenditure

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	523,494	81,755	605,249
Departmental Output Expenses			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	89,214	95,900	185,114
Defence International Engagement	104,499	(3,316)	101,183
Defence Support to the Community	60,158	(1,134)	59,024
Military Assistance to Civil Authorities in Non-Emergency Situations	39,939	(1,105)	38,834
Resource and Border Protection Operations	229,684	(8,590)	221,094
Funding for Departmental Output Expenses			
Revenue from the Crown	498,472	84,246	582,718
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	87,666	95,848	183,514
Defence International Engagement	96,484	(646)	95,838
Defence Support to the Community	48,588	(1,160)	47,428
Military Assistance to Civil Authorities in Non-Emergency Situations	38,953	(1,137)	37,816
Resource and Border Protection Operations	226,781	(8,659)	218,122
Revenue from Others	25,022	(2,491)	22,531
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	1,548	52	1,600
Defence International Engagement	8,015	(2,670)	5,345
Defence Support to the Community	11,570	26	11,596
Military Assistance to Civil Authorities in Non-Emergency Situations	986	32	1,018
Resource and Border Protection Operations	2,903	69	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.

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

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Departmental Output Expenses			
Defence International Engagement			
Percentage of exercises and related activities participated in that support the Government's foreign policy objectives through recognised alliance and other arrangements that foster peace and security	100%	(40%)	60%
Percentage of approved Senior Officer visit programme completed that maintains a strong network of professional relationships and complements the Government's broader foreign policy objectives	100%	(40%)	60%
Percentage of maritime deployments, exercises with security partners, and ship visits to selected nations completed that are cognisant of the Government's foreign policy and defence engagement priorities and satisfies all-of-government efforts to enhance New Zealand's reputation	100%	(40%)	60%
Percentage of regional activities participated in that contribute to the Government's foreign policy objectives to improve the resilience, economic and social wellbeing of Pacific Island nations	100%	(20%)	80%
Defence Support to the Community			
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%
Resource and Border Protection Operations			
Percentage of the total pre-planned air surveillance tasks requested by the National Maritime Coordination Centre met	Not less than 90%	(Approx 10%)	Approx 80-90%
Percentage of the total air surveillance response tasks requested by the National Maritime Coordination Centre within the agreed notice to move to meet the Centre's requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation met	Not less than 90%	(Approx 10%)	Approx 80-90%
Percentage of the total agreed pre-planned maritime tasks requested by the National Maritime Coordination Centre met	Not less than 90%	(Approx 10%)	Approx 80-90%
Percentage of total pre-planned tasks requested by the National Maritime Coordination Centre to conduct pre-planned missions to service the offshore islands and demonstrate New Zealand's sovereignty met	Not less than 90%	(Approx 10%)	Approx 80-90%

Reasons for Change in Appropriation

This appropriation increased by \$81.755 million to \$605.249 million for 2020/21. This increase relates to:

- increased funding of \$97.900 million transferred to other appropriations as the New Zealand Defence Force delivered isolation facilities and border services in support of the Government's response to the COVID-19 pandemic
- increased funding of \$233,000 received from Service personnel for the provision of service housing and barracks, and
- increased funding of \$74,000 for a US Navy request for additional security costs in Singapore.

This increase is partially offset by:

- decreased funding of \$10.811 million for the reduction in the capital charge rate
- decreased funding of \$2.798 for the transfer of funding to 2020/21 for delivery of the Pacific Leaders Development programme
- decreased funding of \$1.667 million for the transfer of operating funding to capital funding for personnel working on capital projects
- decreased funding of \$760,000 for the transfer of funding to future years for the relocation of Service personnel to align with the more detailed introduction into service plan for the P-8A Poseidon aircraft
- decreased funding of \$245,000 for operating funding transferred to capital funding for property maintenance that has resulted in asset improvement, and
- decreased funding of \$171,000 for APEC 2021 security costs.