

Performance Information for Appropriations

Vote Defence Force

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Defence (M22), Minister of Veterans' Affairs (M75)

ADMINISTERING DEPARTMENT: New Zealand Defence Force

MINISTER RESPONSIBLE FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling just under \$2,874 million for the 2013/14 financial year.

This includes over \$2,279 million for departmental output expenses covering the following:

- a total of just over \$2,213 million on the Navy, Army and Air Force 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. The breakdown of appropriations, by Service, is as follows:
 - Navy: just under \$600 million
 - Army: just over \$810 million
 - Air Force: just over \$803 million
- a total of just under \$28 million on Operationally Deployed Forces
- a total of just over \$24 million on Multi-Class Output Appropriation (MCOA), Miscellaneous Support Activities, that includes Defence Force support to the Mutual Assistance Programme, the New Zealand Cadet Forces, Government-initiated Youth Development Schemes (Limited Service Volunteer Courses, Service Academies and Military-Style Activity Camps), and Service Military Museums, and
- a total of just under \$15 million on a MCOA for ministerial services, policy advice and strategic military intelligence.

Of the total output expenses, about \$29 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2013/14. The remainder is funded from Revenue Crown.

There is also a capital expenditure appropriation of up to \$583 million for the purchase of assets.

The Minister of Veterans' Affairs is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling just over \$156 million for the 2013/14 financial year covering the following:

- a total of just over \$11 million for departmental output expenses
- a total of just under \$2 million for non-departmental output expenses
- a total of just under \$142 million for benefits and other unrequited expenses, and
- a total of over \$1 million for non-departmental other expenses.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

Under the Defence Act 1990, New Zealand's Armed Forces are raised and maintained for:

- the defence of New Zealand and the protection of its interests, whether in New Zealand or elsewhere
- the contribution of forces under collective security treaties, agreements or arrangements, and
- the contribution of forces to the UN or other organisations or States for operations in accordance with the principles of the charter of the UN.

The Defence Act 1990 also allows the Armed Forces to be made available for the performance of public services and assistance to the civil power in time of emergency, either in New Zealand or elsewhere.

The primary mission of the Defence Force remains:

"To secure New Zealand against external threat, to protect our sovereign interests, including in the Exclusive Economic Zone, and to be able to take action to meet likely contingencies in our strategic area of interest."

The Veterans' Affairs New Zealand portfolio covers the provision of a wide range of government funded services to veterans. The main areas of activity cover:

- the administration, management and processing of a range of statutory entitlements
- facilitating the delivery of a range of services to individual veterans and their families, in recognition of the needs generated as a result of their service
- providing opportunities for veterans to have their service acknowledged so that they are recognised as special New Zealanders, and
- advising Government on veterans' issues.

From 1 July 2013, Vote Veterans' Affairs - Defence Force was merged with Vote Defence Force. Details of the merger are shown in Part 1.4 - Reconciliation of Changes in Appropriation Structure.

The following table shows how the day-to-day delivery of Defence Force and Veterans' Affairs Output Expenses, for which appropriations are sought, are linked and contribute to the Government's priorities and outcomes for Defence.

Contribution of Appropriations to Government Priorities and Outcomes

Appropriations	Government Priorities	Government Outcomes
<p>Departmental Appropriations:</p> <p>Corporate Policy Advice and Related Outputs (Ministerial Services, Policy Advice, and Strategic Military Intelligence)</p> <p>For Navy: Naval Combat Forces (the two ANZAC class frigates) Naval Support Forces (Amphibious Sealift Ship and Fleet Replenishment Ship) Littoral Warfare Support Forces (Support Vessels, Operational Diving Team, Mine Countermeasures and Military Hydrography) Naval Patrol Forces (the two Offshore and four Inshore Patrol Vessels)</p> <p>For Army: Land Combat Forces [command and control, intelligence and manoeuvre force elements (infantry and reconnaissance)] Land Combat Support Forces (artillery, engineers, communications and military police) Land Combat Service Support Forces (transport, medical, supply, maintenance support and movements) Special Operations Forces (special land operations, counter-terrorist operations, and forces to deal with chemical, biological, radiological and improvised explosive devices)</p> <p>For Air Force: Naval Helicopter Forces (five Seasprite SH-2G maritime helicopters) Airborne Surveillance and Response Forces (six Orion surveillance aircraft) Fixed Wing Transport Forces (two Boeing 757 and five C-130 Hercules aircraft) Rotary Wing Transport Forces (10 UH-1H Iroquois helicopters, and five A-109 light utility helicopters and eight NH-90 medium utility helicopters [when introduced into operational service])</p> <p>Operations Operationally Deployed Forces (operational commitments as approved by the Government)</p>	<p>Government's Key Priorities</p> <ul style="list-style-type: none"> Responsibly manage the Government's finances. Build a more competitive and productive economy. Deliver better public services. Rebuild Christchurch. <p>The Defence Force is also indirectly involved in boosting skills and employment by:</p> <ul style="list-style-type: none"> increasing the proportion of 18 year olds with NCEA level 2 or equivalent qualification; and increasing the proportion of 25 - 34 year olds with advanced trade qualifications, diplomas and degrees (at level 4 or above) <p>Key Priorities for Defence</p> <ul style="list-style-type: none"> Addressing affordability issues Maintaining momentum in key relationships Organisational improvements 	<p>National Security Interests</p> <ul style="list-style-type: none"> A safe and secure New Zealand, including its border and approaches. A rules-based international order, which respects national sovereignty. A network of strong international linkages. A sound global economy underpinned by open trade routes. <p>Principal Tasks for the Defence Force</p> <ul style="list-style-type: none"> To defend New Zealand's sovereignty. To contribute to all-of-government efforts at home and abroad in resource protection, disaster relief, and humanitarian assistance. To discharge our obligations as an ally of Australia. To contribute to and, where necessary, lead peace and security operations in the South Pacific. To make a credible contribution in support of peace and security in the Asia-Pacific region. To protect New Zealand's wider interests by contributing to international peace and security, and the international rule of law. To participate in all-of-government efforts to monitor the international strategic environment. To be prepared to respond to sudden shifts and other disjunctions in the strategic environment.

Appropriations	Government Priorities	Government Outcomes
<p>Miscellaneous Support Activities: New Zealand Defence Force Support to:</p> <ul style="list-style-type: none"> • The Mutual Assistance Programme • New Zealand Cadet Forces • Support to Youth Development (Limited Service Volunteer courses, Service Academies and Military-style Activity Camps) • Service Military Museums 	<ul style="list-style-type: none"> • Strengthen New Zealand's key bilateral relationships to support our security and economic aspirations, and • Intensify efforts to secure the long-term security and economic growth of the South Pacific and key partner countries in the region. <p>Investment in young people and the promotion of an appreciation among members of the cadet forces of the functions and operation of the Armed Forces.</p> <p>Increase investment in young people during the economic downturn by implementing the Government's programme on 'Fresh Start for Young People.'</p> <p>Increasing audiences and the appreciation of New Zealand culture and cultural resources (including our rich military heritage).</p>	<p>New Zealand's security and economic interests safeguarded through its security and economic relationships.</p> <p>Good citizenship among members of the cadet forces.</p> <p>The lives of young people at risk of poor outcomes are improved.</p> <p>New Zealanders valuing access and opportunities to participate in cultural/heritage experiences.</p>
<p>Veterans' Affairs New Zealand Departmental Appropriations: Administration Services Policy Advice Services and Payments to Veterans Benefits and Other Unrequited Expenses Medical Treatment War Disablement Pensions (including Interest Concessions) Special Annuities Non-Departmental Other Appropriations Ex Gratia Payments Debt Write-Down for Benefits and Other Unrequited Expenses</p>	<p>The Government's underpinning policy related to veterans is 'Respecting Veterans, Honouring Service.' This is substantiated by the broader principles of:</p> <ul style="list-style-type: none"> • Respecting Veterans • Strengthening Communities • Dignity for Older New Zealanders 	<ul style="list-style-type: none"> • Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation. • Working in partnership with NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about, and access to, services and supports that promote well being. • The veteran's perspective is considered as part of government decision-making on issues that impact on their lives.

Part 1.3 - Trends in the Vote

Summary of Financial Activity

The following information from 2008/09 to 2012/13 reflects Vote Defence Force only prior to the single Vote structure in Vote Defence Force from 2013/14. The information from 2013/14 reflects the single Vote structure of Vote Defence Force, including the previous Vote Veterans' Affairs - Defence Force.

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	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	2,101,301	2,174,415	2,192,886	2,144,803	2,240,819	2,240,819	2,290,770	1,773	2,292,543	2,290,426	2,338,874	2,243,791
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	141,809	141,809	143,171	143,232	137,185
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	337	72,998	2,015	1,959	250	250	-	1,550	1,550	1,550	1,550	1,550
Capital Expenditure	365,530	326,752	260,791	268,041	318,000	318,000	583,000	-	583,000	649,000	426,000	513,000
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	2,467,168	2,574,165	2,455,692	2,414,803	2,559,069	2,559,069	2,873,770	145,132	3,018,902	3,084,147	2,909,656	2,895,526
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	-	-	-	-	-

In addition to what is in the preceding table, the table following includes for the years 2008/09 to 2012/13 all amounts relating to appropriations, revenue and receipts that were in those years in Vote Veterans' Affairs - Defence Force but from 2013/14 are in Vote Defence Force.

	2008/09	2009/10	2010/11	2011/12	2012/13		2013/14			2014/15	2015/16	2016/17
	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	9,060	10,479	10,392	9,709	11,027	11,027	-	-	-	-	-	-
Benefits and Other Unrequited Expenses	144,174	158,535	156,158	148,504	143,487	143,487	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	613	412	351	500	1,400	1,400	-	-	-	-	-	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	153,847	169,426	166,901	158,713	155,914	155,914	-	-	-	-	-	-
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	-	-	-	-	-

New Policy Initiatives

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Departmental - MCOA Policy Advice and Other Services For Veterans						
Government's Response to Law Commission's Report on War Pensions Act 1954 - Papers A, C and D	Policy Advice and Related Outputs MCOA Departmental	150	592	337	305	307
Government's Response to Law Commission's Report on War Pensions Act 1954 - Paper E Provisions Common to Both Schemes	Services and Payments to Veterans Departmental				265	180
Attendance of New Zealand Veterans at the Commemoration of the 60th Anniversary of the Korean War Armistice	Policy Advice and Related Outputs MCOA Departmental		500			
Benefits and Other Unrequited Expenses (BOUE) - Medical Treatment						
Government's Response to Law Commission's Report on War Pensions Act 1954	Medical Treatment Non-Departmental BOUE				19	35
BOUE - War Disablement Pensions						
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper E Provisions Common to Both Schemes	War Disablement Pensions Non-Departmental BOUE				6,194	5,786
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper F - Scheme One 5% Increase	War Disablement Pensions Non-Departmental BOUE	1,496	5,811	5,604	5,420	5,253
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper F - Scheme One Other Entitlements	War Disablement Pensions Non-Departmental BOUE			6,536	4,144	3,483
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper F - Scheme One Lump Sum Payments for Veterans with Terminal Illness	War Disablement Pensions Non-Departmental BOUE			385	385	385
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper F - Scheme Two Other Entitlements	War Disablement Pensions Non-Departmental BOUE				967	1,075
Government's Response to Law Commission's Report on War Pensions Act 1954 Paper C - The Connection Between Service and Impairment	War Disablement Pensions Non-Departmental BOUE			17	17	17
War Pension Coverage for Deployments to Syria	War Disablement Pensions Non-Departmental BOUE	28	26	26	27	27

Policy Initiative	Appropriation	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
BOUE - Special Annuities						
Special Annuity WTM Framhein	Special Annuity Non-Departmental BOUE	5	14	15	15	15
Small Increase to Special Annuities Appropriation	Special Annuity Non-Departmental BOUE	4	3	3	3	3

Analysis of Significant Trends

From 1 July 2013, the previous Vote Veterans' Affairs - Defence Force will merge into Vote Defence Force. This explains the increase in all baselines, except Departmental Capital Expenditure.

The movements in departmental and non-departmental appropriations in Vote Defence Force are detailed in the Summary of Financial Activity table.

The departmental appropriations in Vote Defence Force, which are detailed in the Summary of Financial Activity table in Part 1.3 above, show the significant changes recorded below.

Vote Defence Force

Comparison: 2008/09 with 2009/10

The major items that contributed to the \$73 million increase in annual departmental output expense appropriations between 2008/09 and 2009/10 are shown in the following table:

Item	\$ million
Expense Transfer (comparative) from 2007/08 into 2008/09 only	(68)
Verification Service Levy Transfer in 2009/10	(1)
Transfer Residual MYA from 2007/08 into 2008/09 only for Operationally Deployed Forces	(7)
2008/09 Savings returned to the Crown	40
Expense Transfer (2008/09 decrease)	10
Expense Transfer (2009/10 increase)	23
Revised Tax Treatment increase over 2008/09	5
Supplementary Operationally Deployed Forces funding	21
Defence Funding Package (Budget 2009)	52
Capital Charge for 30 June 2009 Asset Revaluation	32
Depreciation for 30 June 2009 Asset Revaluation	20
Expense Transfer to 2010/11	(10)
Enhance Youth Development	5
Miscellaneous	(12)
Expense Transfers from 2009/10 to 2010/11	(37)
Total	73

Other expenses

- an Other Expense of \$2.700 million, for expensing by 30 June 2008, related to the disposal cost of items included in the NZDF Statement of Financial Position, in accordance with Audit New Zealand advice

- an Other Expense of \$3 million, for expensing by 30 June 2009, of costs included in the NZDF Statement of Financial Position, and
- an Other Expense appropriation of \$90 million for adjusting asset values by 30 June 2010 and asset disposal of \$3.300 million.

Comparison: 2009/10 with 2010/11

Departmental output expenses

The annual departmental output expense appropriations for Vote Defence Force in 2010/11 exceeded the end of 2009/10 by \$18 million. The major items and values that contributed to this increase are shown in the following table:

Item	\$ million
Expense transfer from 2008/09 for 2009/10 only	(10)
2010/11 increase previously agreed through Budget 2009	34
Technical increase - Capital Charge	4
Transfer of 2008/09 surplus for 2009/10 only	(13)
Committed cost of Operationally Deployed Forces	(18)
Full-year impact of enhanced Youth Development	5
Expense Transfer from 2009/10 for 2010/11 only	20
New 2010/11 Funding - Budget 2010	35
Other Expense Transfers	25
Technical Decrease Capital Charge 2010/11	(5)
Technical Adjustments 30 June 2011 Year End	(35)
Underspend 30 Jun 2011 Year End	(24)
Total	18

Comparison: 2010/11 with 2011/12

The annual Defence Force output expense appropriations in 2010/11 exceeded the final 2011/12 values by \$15 million.

The significant contributors to this reduction are shown in the following table:

Item	\$ million
Expense transfer from 2009/10 for 2010/11 only	(30)
Government Superannuation Fund for 2010/11 only	(1)
Cross Vote Initiative transfers for 2010/11 only	5
Capital Charge Adjustments (Rate Increase to 8% - \$27.200 million)	28
Impact of Expense transfer from 2010/11 to 2011/12 only	40
Impact of Expense to Capital transfer from 2010/11 only	25
Operationally Deployed Forces - Activity Draw downs	(8)
Transfers 2011/12 to 2012/13	(131)
Technical Adjustments 30 June 2011 year end	33
Underspend 30 June 2011 Year End	24
Total	(15)

Comparison: 2011/12 with 2012/13

The annual Defence Force output expense appropriations in 2012/13 exceeded the final 2011/12 values by \$96 million. The major items and values that contributed to this increase are shown in the following table:

Item	\$ million
Impact of Expense Transfers from 2010/11 (\$37 million) for 2011/12 (\$37 million) only	(37)
Retention of Underspends from 2011/12 (\$135 million) to 2012/13 (\$135 million)	270
Revenue Department Changes	(7)
Miscellaneous Technical Changes	1
Retention of Underspends from 2012/13 (\$175 million) to 2013/14 (\$40 million)	(175)
Underspend 30 June 2011 Year End	32
Impact of Expense Transfer from 2011/12 to 2012/13	12
Total	96

Comparison: 2012/13 with 2013/14

The annual Defence Force output expense appropriations in 2013/14 will exceed the final 2012/13 values by \$80 million. The appropriations as proposed for 2012/13 exceed those for 2011/12 largely as a result of retaining underspends totalling some \$175 million, consistent with the Defence White Paper expectation. The major items and values that contributed to this increase are shown in the following table:

Item	\$ million
Impact of Expense Transfer from 2011/12 to 2012/13	(12)
Retention of Underspends from 2012/13 (\$175 million) to 2013/14 (\$40 million)	215
Impact of Expense Transfers from 2011/12 to 2012/13 (\$135 million) only	(135)
Transfer of Vote Veterans Affairs Defence Force to Vote Defence Force	11
Miscellaneous Technical Changes	1
Total	80

Other Expenses

A total of \$250,000 for Departmental Other Expenses (disposal costs of decommissioned assets).

Capital Expenditure

The Capital Expenditure appropriations shown in the trends table between 2007/08 and 2012/13 disclose the annual payments and future authorities for equipment purchases to be made to the Ministry of Defence, and for NZDF managed capital projects. The trend for capital expenditure is determined by those payments that are made against approved projects as they arise. Currently these include significant projects such as the P3 Orion systems upgrade, C130 Hercules life extension, and medium and light helicopter programmes.

*Veterans' Affairs New Zealand***Comparison: 2008/09 with 2009/10**

The annual Veterans' Affairs appropriations in 2009/10 exceeded the final 2008/09 values by \$16 million due primarily to the Defence Force assuming responsibility for the payment and administration of veterans' entitlements for a full financial year.

Comparison: 2009/10 with 2010/11

The annual Veterans' Affairs appropriations in 2010/11 represented a reduction of \$2.500 million over the final 2009/10 values due primarily to a decline in the number of veterans receiving a War Disablement Pension.

Comparison: 2010/11 with 2011/12

The annual Veterans' Affairs appropriations in 2011/12 represented a reduction of \$8 million over the final 2010/11 values due primarily to a decline in the number of veterans receiving a War Disablement Pension.

Comparison: 2011/12 with 2012/13

The annual Veterans' Affairs appropriations in 2012/13 represented a reduction of \$500,000 over the final 2011/12 values due primarily to a decline in the number of veterans receiving a War Disablement Pension offset by increased Departmental Output activity.

Comparison: 2012/13 with 2013/14

The annual Veterans' Affairs appropriations in 2013/14 represent a reduction of \$2.200 million over the final 2012/13 values due primarily to a decline in the number of veterans receiving a War Disablement Pension offset by an increase in Departmental Output appropriation associated with commemorative activity.

Outyears: 2013/14 to 2015/16

For benefits and other unrequited expenses, total benefit expenditure is expected to increase until 2015/16 and then decrease over the outyears.

Part 1.4 - Reconciliation of Changes in Appropriation Structure

Changes to Output Structure

From 1 July 2013, the former Vote Veterans' Affairs - Defence Force has been merged into Vote Defence Force. The table below provides a detailed analysis of the changes involved in the merger. The merger will result in efficiencies in administrative support.

Vote Defence Force 2013/14 Structure	2013/14 (\$000)	Former Vote from which transfers made	Appropriation/output class in the former Vote from which transfers made	Full amount of one-to-one transfer 2013/14 (\$000)	Part amount of several-to-one transfer 2013/14 (\$000)	Corresponding 2012/13 amount
Departmental Output Expenses						
Policy Advice and Other Services For Veterans MCOA: Administration Services	4,625	Veterans' Affairs-Defence Force	Policy Advice and Related Outputs MCOA: Administration Services	4,625		2,645
Policy Advice and Other Services For Veterans MCOA: Policy Advice	220	Veterans' Affairs-Defence Force	Policy Advice and Related Outputs MCOA: Policy Advice	220		220
Policy Advice and Other Services For Veterans MCOA: Services and Payments to Veterans	6,292	Veterans' Affairs-Defence Force	Services and Payments to Veterans	6,292		6,239
Non-Departmental Output Expenses						
Development and Maintenance of Services to Cemeteries	746	Veterans' Affairs-Defence Force	Development and Maintenance of Services to Cemeteries	746		746
Support for Veterans and Their Families	1,027	Veterans' Affairs-Defence Force	Support for Veterans and Their Families	1,027		1,177
Benefits and Other Unrequited Expenses						
Medical Treatment	19,367	Veterans' Affairs-Defence Force	Medical Treatment	19,367		20,179
Special Annuities	44	Veterans' Affairs-Defence Force	Special Annuities	44		36
War Disablement Pensions	122,398	Veterans' Affairs-Defence Force	War Disablement Pensions		122,396	125,851
		Veterans' Affairs-Defence Force	Interest Concessions Land and Buildings		2	4

Vote Defence Force 2013/14 Structure	2013/14 (\$000)	Former Vote from which transfers made	Appropriation/output class in the former Vote from which transfers made	Full amount of one-to-one transfer 2013/14 (\$000)	Part amount of several-to-one transfer 2013/14 (\$000)	Corresponding 2012/13 amount
Non-Departmental Other Expenses						
Debt Write-down for Benefits and Other Unrequited Expenses	250	Veterans' Affairs-Defence Force	Debt Write-down for Benefits and Other Unrequited Expenses	250		250
Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans	1,300	Veterans' Affairs-Defence Force	Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans	1,300		1,150
Total Amount Transferred	156,269			33,871	122,398	158,497

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-6.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Defence Force</p> <p><i>Outcomes</i></p> <p>A secure New Zealand, including its people, land, territorial waters, exclusive economic zone, natural resources and critical infrastructure Reduced risks to New Zealand from regional and global insecurity New Zealand values and interests advanced through participation in regional and international security systems New Zealand is able to meet future national security challenges</p>	<p>Multi-Class Output Appropriation (MCOA) for Ministerial Services, Policy Advice and Strategic Military Intelligence</p> <p>Naval Combat Forces, Naval Support Forces, Littoral Warfare Support Forces, Naval Patrol Forces, Land Combat Forces, Land Combat Support Forces, Land Combat Service Support Forces, Special Operations Forces, Naval Helicopter Forces, Airborne Surveillance and Response Forces, Fixed Wing Transport Forces, Rotary Wing Transport Forces</p> <p>MCOA - Miscellaneous Support Activities:</p> <ul style="list-style-type: none"> • Support to Mutual Assistance Programme (MAP) • Support to NZ Cadet Forces • Support to Youth Development (Limited Service Volunteer Scheme, Youth Life Skills Programme and Military-style Activity Camps) • Support to Service Military Museums <p>Operationally Deployed Forces</p>
<p>Veterans' Affairs New Zealand</p> <p><i>Outcomes</i></p> <p>Veterans that are acknowledged and recognised for their service and sacrifice and the community is ware of the role veterans have played and continue to play in developing New Zealand as a nation. Working in partnership with the Defence Force, the impacts of service on eligible veterans and their dependants are monitored and they have information about, and access to, services and support that promote wellbeing. The veterans' perspective is considered as part of government decision-making on issues that impact their lives.</p>	<p>MCOA for Administration Services, Policy Advice and Services and Payments to Veterans</p> <p>Non-Departmental Output Appropriations for the Development and Maintenance of Services Cemeteries and Support for Veterans and their Families</p> <p>Benefits and Other Unrequited Expenses for Medical Treatment, Special Annuities and War Disablement Pensions (including interest concessions on land and buildings)</p> <p>Non-departmental Other Appropriations for Ex Gratia Payments and Debt Write-Down for Benefits and Other Unrequited Expenses</p>

The intended outcomes for both the Defence Force and Veterans' Affairs New Zealand shown in the table above are further amplified and explained in the NZDF's Statement of Intent for 2013 - 2016. The Statement of Intent also illustrates the Defence Force's performance story, provides the linkages between outcomes and outputs, identifies the impacts sought and explains the overall performance framework.

The following sections are intended to explain how the Defence Force measures output performance - in particular for the operational force elements of the Navy, Army and Air Force.

NZDF performance information

Most of the Defence Force's day-to-day activities in New Zealand, and for which it is funded, are designed to prepare the force elements of the Navy, Army and Air Force to contribute to operations as approved by the Government of the day. These force elements are 'retained' in that they are not 'activated' until such time as they are required, eg, when forces are deployed overseas on operational missions. Coupled with the unavoidable uncertainty of security events, competing priorities, and the relative irreversibility of many major acquisition decisions, this makes the Defence Force complex and unique compared to most other government departments. Those departments, in their day-to-day activities, are actually delivering their 'end product' (their services), whereas the Defence Force's ultimate 'end product' is the effective contribution of force elements to operational missions. This is achieved through the output expense

'Operationally Deployed Forces' and, in the New Zealand environment, 'Domestic Tasks'. The focus of what the Defence Force does, therefore, is primarily geared to the preparation and delivery of operationally effective forces.

In measuring the performance of the Defence Force's operational retained outputs, each output has a quantitative and qualitative dimension. The quantity specification describes the force elements available for deployment. Essentially these are personnel and military equipment such as ships, aircraft, vehicles and weapon systems. These represent fixed costs in the short term and therefore cannot provide a sensitive mechanism for varying the amount and cost of the Defence Force's annual product.

The qualitative specification covers the preparedness of the force elements using preparedness targets against illustrative security events called employment contexts. The qualitative dimension can be varied annually by increasing or decreasing the amount of readiness training undertaken by a force element. This will vary the consumption rate of items such as fuel and munitions used during training.

Reducing the level of training activities to be undertaken in any one year will, however, impact on a force element's readiness for military operations to which it can contribute. Thus, there is greater risk that force elements may not be available in time to provide credible military options to the Government. This is particularly important within the context of the current international security environment, which is characterised by little warning time and uncertainty.

The Defence Force's activated outputs (operationally deployed forces and support to Domestic Tasks) and non-operational outputs (eg, provision of advice and miscellaneous support activities) have quantity and quality measures in the same way as outputs are produced by other government departments.

Employment contexts

The process of assessing the performance of the Defence Force's outputs starts with the Government's defence policy objectives and is further articulated with defence outcomes and strategy. The next step is to identify the likely security challenges that threaten New Zealand's ability to reach its goals and the most appropriate responses required. The security challenges are drawn from an assessment of New Zealand's geo-strategic situation and international security trends as part of the strategic planning process.

These challenges are described as Employment Contexts (ECs) by the NZDF. The ECs are then used to build the specifications for the NZDF operational outputs, thus ensuring outputs are consistent with government policy. The ECs against which these operational outputs or force elements are assessed against are shown under the preparedness heading of each of the operational output tables shown below.

ECs are an important tool for the Defence Force's ability to plan against likely future requests from government, providing a benchmark to measure and report preparedness levels. Nevertheless, they remain guidelines and are not the only input into any decisions made on the deployment of force elements. Other information, such as lessons learnt from actual operations and detailed operational planning, is used to provide government with more detailed advice on deployment options, costs and risks.

Preparedness standards

The following preparedness rating scale is used to quantify force element performance standards in achieving preparedness relative to the directed level of capability (DLOC). This is the level of capability that is lower than that required to be deployed and commence operations, which is referred to as the operational level of capability (OLOC). The difference between DLOC and OLOC is known as the Response Time. This is the period (normally expressed in days) in which force elements have to complete personnel and equipment preparations and to conduct any necessary training to enable operational tasks to be performed. Holding force elements at lower levels of capability avoids expenditure on some training, personnel, and maintenance until such time as it is needed to generate the higher levels of performance necessary for particular operational situations.

A performance rating ('P' rating) for a force element represents the distillation of a vast amount of underlying performance assessment at varying levels of the Defence Force - from units to headquarters. In particular, it involves assessment against key performance indicators within the NZDF's operational preparedness reporting and evaluation system (OPRES), against all likely ECs. These indicators provide an objective measure of personnel, equipment, training and sustainability requirements for the reporting period. The 'P' rating standards also reflect the Defence Force's priorities for each force element for the financial year. For example, all fully prepared rating standards represent priority one, all substantially prepared rating standards represent priority two, and so on.

Overall, the aggregate level of preparedness of force elements is in the 'substantially prepared' range. This reflects the intended level of preparedness of the Defence Force as a whole, with preparedness being generally held higher for security threats closer to home and lower for events further afield. The Defence Force does not plan, nor is it resourced, to hold all force elements at the fully prepared level across all possible security threats at all times.

The decreases in preparedness over the last few years reflect the impact of introduction into service of new and modernised capabilities. Aggregate preparedness levels are expected to increase in the future.

Consistent with the Defence White Paper 2010, the Defence Force is to concentrate on achieving dominance in New Zealand's maritime domain and the South Pacific region. This will be achieved through the generation of a joint amphibious capability, a sustained level of maritime patrol and an improved output level from intelligence, surveillance and reconnaissance activities. This output requirement is reflected in the 2013/14 performance expectations of the output expense tables shown below.

Note, for EC 1 (border protection, EEZ patrols and terrorism) and EC 2 (natural and manmade disasters) security challenges, the capability to respond to these events is a contingent military capability achieved through force elements' capability generated for military operations. As a consequence, these are not tasks that require additional resources. Accordingly, relevant force elements are held at an appropriate degree of notice, rather than at the preparedness ratings shown in the following table. This change has been made from the 2011/12 reporting year. [Degrees of notice differ from response times in that force elements are already available at short notice (ie, 'go as you are' within hours) as opposed to a longer response time (in days) normally required to make any necessary personnel, equipment or training preparations for operational deployments.]

Preparedness Rating Scale

The scale used for preparedness ratings is shown in the table below.

Rating	Meaning
<i>Fully Prepared</i>	It means that the standards required for all measurement areas, under OPRES, have been achieved by between 90 to 100%. Response Time does not require extending from that specified in the NZDF Output Plan.
<i>Substantially Prepared</i>	The force element requires minimal resource input such that the Response Time is projected to be extended by up to the order of 33% in the applicable Employment Context (EC). It means the standards required for all measurement areas, under OPRES, have been achieved by between 80 and 89%.
<i>Partially Prepared</i>	The force element requires a substantial resource input such that the Response Time is projected to be extended by a period in the order of between 34% and 50% in the applicable EC. It means the standards required for all measurement areas, under OPRES, have been achieved by between 70 to 79%.
<i>Not Prepared</i>	The force element requires a level of resource input such that the Response Time for the applicable EC could be expected to be extended by more than 50%. It means the standards required for all measurement areas, under OPRES, have been achieved by less than 70%.
<i>Unavailable for Assessment</i>	The force element/capability is unavailable for assessment. This could be as a result of a capability being deployed, commissioned, or introduced into service.

Note - DLOC should be seen as a band within which there are five ratings (fully prepared to unavailable for assessment). A force element that has been set a fully prepared rating standard is at DLOC if it achieves a fully prepared rating. If that force element only achieves a substantially prepared rating, it is below its DLOC. Similarly, a force element that has been set a substantially prepared standard for the year is at DLOC if it achieves a substantially prepared rating - even though it is not "fully prepared." For reporting purposes, if a force element is below its stated "P" rating, an explanation as to why that situation has occurred, as well as what is required to return it to its stated "P" rating is provided; this will include one or more of time, personnel, equipment or training.

Changes to output performance measures for FY 2013/14

In accordance with Cabinet direction (CAB SEC (12) 98 refers) common performance indicators for the policy appropriation for the Multi-Class Output Appropriation (Ministerial Services, Policy Advice and Strategic Military Intelligence) have now been included in the Information Supporting the Estimates for Budget 2013. While the Ministry of Defence is the principal provider of defence policy advice to the Government, the Defence Force contributes to policy advice led by the Ministry and other agencies to support decision making by Ministers on policy matters relating to defence.

Domestic tasks

The NZDF has the capacity to deliver a range of services in support of other government departments, the community, and foreign and defence policy objectives. This support may be provided by a combination of deployable force elements and non-deployable support or training units.

The term 'domestic tasks' (previously referred to as 'Multi-Agency Operations and Tasks') is used to describe both the formal and informal, pre-planned support to specific government departments and agencies, and the unplanned emergency support in times of crisis. This support is becoming an increasingly significant function for the Defence Force within New Zealand's range of security events. This support is a joint, multi-agency activity and typically involves operations concerned with New Zealand's EEZ/maritime environment and New Zealand territory, including border patrol.

Under s.9 of the Defence Act 1990, the Armed Forces may be used to perform any public service or to provide assistance to the civil power in time of emergency. The Defence Force is expected to assist government departments to sustain essential services in an emergency, including during periods of industrial unrest. This includes such tasks as assistance to Civil Defence and Emergency Management in times of natural disasters, search and rescue, response to maritime pollution incidents, and provision of support to the Corrections Department when, due to industrial dispute, normal arrangements fail. The Defence Force maintains elements at specified degrees of notice (DON) for response to such emergencies, as shown in the table below.

Aid to the civil power includes assistance to the NZ Police to maintain law and order and for internal security purposes. Operations may necessitate Defence Force personnel to be armed and authorised to use force. The primary task under this category is counter-terrorist operations in the land and maritime environments. The main Defence Force elements that are available for emergency tasks, listed by Service, are shown in the following table:

Elements Available for Emergency Tasks

Service	Elements Available for Emergency Tasks [with Degree of Notice (DON) where applicable]
Navy	<ul style="list-style-type: none"> One frigate (or alternative vessel) at eight hours' DON for emergency tasks, including Search and Rescue (SAR) and Medical Assistance/Evacuation. One Inshore Patrol Vessel (IPV) at eight hours' DON for emergency tasks, including SAR. One Diving Team at six hours' DON for emergency tasks, including under-water search and Explosive Ordnance Disposal (EOD) / Improvised Explosive Device Disposal (IEDD) and 12 hours' DON when embarked. One 25-person Civil Defence Response Group. On-shore personnel for fire fighting, as available.
Army	<ul style="list-style-type: none"> Personnel in the North Island and South Island for emergency tasks, including SAR, Fire Fighting, and Casualty/Medical Evacuation. HQ elements on call for Civil Defence in the North Island and South Island to support a Civil Defence HQ. Four 25-person Civil Defence Response Groups. Two 100-person Civil Defence Response National Reserve Groups. One 500-person Reserve for Civil Defence. EOD/IEDD Teams in North Island and South Island at 12 hours' DON. In-camp personnel for fire fighting, as available.
Air Force	<ul style="list-style-type: none"> One Iroquois helicopter at two hours' DON for emergency tasks, including SAR, Fire Fighting and Casualty Evacuation. One Orion (or one Hercules if an Orion is not available) at two hours' DON for emergency tasks, including SAR and Aeromedical Evacuation. One Hercules at 14 hours' DON for emergency tasks. One 25-person Civil Defence Response Group at each Air Base, and elements to support a Civil Defence HQ. On-base personnel for fire fighting, as available. <p>Note: Due to aircraft upgrade and replacement programmes, there may be short periods when DON requirements are not able to be met. In these cases, alternative arrangements will be made to provide coverage.</p>

Support to Specific Government Departments and Agencies (Multi-Agency Support)

The majority of Multi-Agency support is provided to the National Maritime Coordination Centre (NMCC). The NMCC's role is to support the effective use of aircraft and ships for the purposes of carrying out civilian maritime patrols to compile a comprehensive picture of New Zealand's maritime environment. It coordinates access to aircraft and ships from a national perspective. The major Defence Force contribution to NMCC tasking is the Inshore Patrol Vessels (IPVs), which were purchased directly to meet the inshore (out to 24 nautical miles) patrol requirement. (The IPVs are therefore an activated or delivered output as opposed to a retained or latent output such as land forces). A significant portion of the capacity of the Offshore Patrol Vessels is also available for NMCC tasks. The P-3K2 Orion patrol aircraft is the principal aerial reconnaissance asset available to the NMCC.

There are six core agencies that require most of the maritime patrols. These are: the New Zealand Customs Service; the Ministry for Primary Industries; the Department of Conservation; the Ministry of Foreign Affairs and Trade; the New Zealand Police; and Maritime New Zealand.

The NZDF also provides routine assistance to government departments and agencies. This includes other support to those agencies above, and support to other departments such as the Department of Prime Minister and Cabinet, Department of Internal Affairs, Antarctic New Zealand and Government House.

Community support operations

The NZDF may, in some circumstances, be able to provide assistance to civil authorities and normally encompasses short-term assistance for special events and those of significant value to the local community, such as charity and training.

A list of indicative Defence Force multi-agency, general support to the government and the community, and tasks in support of foreign and defence policy objectives is shown in the following table. A summary of actual support provided by the Defence Force is published in the NZDF's Annual Report.

Indicative NZDF Support

NZDF Support to:	Indicative Support Details / Remarks
NZ Police (excluding Search and Rescue)	Typically involves: <ul style="list-style-type: none"> Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). Diving and specialist underwater search support. Other general and "one-off" support and assistance. Explosive Ordnance Disposal (EOD) and CBRE/IEDD Response Teams. Typically involves the provision of specialist team/s to render stray military ordnance and improvised explosive devices safe. Requests for assistance are normally channelled through Regional or Local police direct to appropriate NZDF agencies.
Land, Sea and Air SAR (in support of NZ Police, Rescue Coordination Centre New Zealand (RCCNZ), NadiRCC, SuvaMCC, or other requesting agency)	Typically involves: <ul style="list-style-type: none"> Orion / Hercules / Iroquois (flying hours). RNZN ships (sea days). Diving support. Land search teams (man days). Land transport (km). Medical assistance (as required). Rescue Coordination Centre New Zealand (RCCNZ) staffing support. Logistic and other support (as required).
Ministry of Civil Defence and Emergency Management	Typically involves assistance, as requested, to declared national, regional or local Civil Defence emergencies and may involve: <ul style="list-style-type: none"> Sea transport (sea days). Fixed and rotary wing aircraft (flying hours). Road transport (km). Manpower (man days). Logistic and other support.
Department of Conservation (DOC)	Typically involves: <ul style="list-style-type: none"> Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). Sea or air transport to off-shore islands (sea days/flying hours). Manpower assistance on land (man days). Other general support and assistance.
Department of Corrections	Various support and assistance.
Environmental Risk Management Authority	Various support and assistance.
NZ Fire Service and National Rural Fire Authority	Typically involves: <ul style="list-style-type: none"> Fire fighting assistance, mainly in rural areas. Support for specific fire-fighting operations. Other general support and assistance, including training.
Ministry for Primary Industries	<ul style="list-style-type: none"> Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). Any other general support and assistance.
Ministry of Foreign Affairs and Trade (MFAT)	<ul style="list-style-type: none"> Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). Defence diplomacy. Port visits, in support of MFAT. Typically involves 10 to 14 visits per year by major RNZN ships. Surveillance patrols by RNZAF Orion aircraft in support of Pacific Island nations under the Forum Fishery Agency (FFA) and in the sub-Antarctic region under the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR). Disaster Relief (South Pacific). Typically involves: Air reconnaissance (flying hours); Air and sea transport (flying hours and sea days); Helicopter support (flying hours); Land manpower support (man days); and Logistic and other support (as required). Support for any specific events. Any other general support and assistance.
Government House	Any major support for specific events/activities. (It does not include routine, on-going NZDF staff support and Aides-De-Camp assistance).
Ministry of Health	Support for any specific events (such as health surveys or assistance in hospitals).

NZDF Support to:	Indicative Support Details / Remarks
Department of Internal Affairs	Typically involves: <ul style="list-style-type: none"> • Waitangi Guard ship. • Provision of ceremonial guards for visiting dignitaries. • Support to anniversaries, such as ANZAC Day. • Provision of national military contingents to overseas commemorations, as directed. • Other ceremonial support, including logistic support, as required.
Maritime New Zealand (MNZ)	<ul style="list-style-type: none"> • Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). • Professional maritime advice. • Detection of Pollution (involves the detection and reporting of pollution, and any NZDF response / assistance as may be requested). • Any other support.
New Zealand Customs Service	<ul style="list-style-type: none"> • Multi-Agency Support (including RNZN ships and RNZAF aircraft - sea days and air flying hours). • Any other support.
Department of Prime Minister and Cabinet (DPMC)	Typically involves: <ul style="list-style-type: none"> • Air transport (flying hours), including VIP flying. • Sea transport (sea days / hours). • Road transport (km). • Logistic and administrative support as required (man days).
Support to the NZ Antarctic Programme (NZAP)	Involves NZDF support in accordance with an annual NZAP/NZDF agreed plan. Typically involves: <ul style="list-style-type: none"> • Hercules tasks to McMurdo Sound as agreed between the NZDF and Antarctic NZ. • Freight movement, terminal operations and training assistance. • Other assistance, on an annual basis, such as engineer support.
General Medical Assistance/Support	Typically involves: <ul style="list-style-type: none"> • Medical / mercy flights (flying hours). • Medical rescue by RNZN ship (sea days). • Hospital assistance, including ambulance support.
General Community Support	Typically involves assistance to significant national and community events and could involve provision of: <ul style="list-style-type: none"> • Manpower (man days). • Sea, land and air transport (sea days / km / flying hours). • Logistic and other support.
General Training Courses	Typically involves the provision of training courses to other government departments and the community (schools / community groups): <ul style="list-style-type: none"> • Number of courses. • Manpower (man days). This does not include NZDF support to the two output classes Support to Youth Development and the Mutual Assistance Programme. These are reported separately under the Multi-Class Output Appropriation (MCOA) Miscellaneous Support Activities.

Airborne Surveillance and Response Forces (M22)

Scope of Appropriation

This appropriation is limited to the provision of the capabilities of No 5 Squadron RNZAF (P-3K2 Orion aircraft) prepared to conduct airborne surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, to conduct search and rescue missions, and to conduct maritime and land air operations, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	182,184	182,184	202,606
Revenue from Crown	180,639	180,639	201,279
Revenue from Other	1,545	1,545	1,327

Reasons for Change in Appropriation

The appropriation will increase by \$20.422 million to \$202.606 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of Orion aircraft available for military tasks - from a total fleet of six aircraft The number of Orion aircraft available for tasking during 2013/14 will be constrained by having two or three aircraft in upgrade, aircrew transition training, testing and evaluation and continuing capability development of new systems. The upgrade is expected to be completed by the end of FY 2013/14. The reduced fleet size will have an impact on the duration of any operational deployments and the ability to rotate any such deployments. The requirement to sustain core and directed levels of capability will also affect the nature and extent of tasking that can be undertaken by the fleet during the period	1 Aircraft (either a legacy P-3K or upgraded P-3K2)	1 Aircraft	2 Aircraft
Number of additional Orion aircraft available for maritime search and rescue and other emergency tasks, as required	1 Aircraft (either a legacy P-3K or upgraded P-3K2)	1 Aircraft	1 Aircraft
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of the supported department/agency	Deliver to the satisfaction of supported department/agency
Total Orion Flying Hours (range is target plus or minus 5%) The total Orion annual flying hour's allocation has been adjusted to reflect the reduction in the number of aircraft available and the total number of hours that can be generated and supported by the Orion fleet during FY 2013/14	1,691 - 1,869	1,534 - 1,696	2,185 - 2,415

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Planned flying hours available to the National Maritime Coordination Centre (NMCC) (included in total flying hours)	530	172	660
Planned flying hours in support of Ministry of Foreign Affairs and Trade for the purpose of South Pacific disaster relief (included in available hours for NMCC)	15	12	15
Planned flying hours in support of search and rescue (not included in available hours for NMCC, but included in total flying hours)	85	190	85
Number of Mawsoni (Southern Ocean and Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)) patrols. (Included in NMCC hours).	2	1	2
Number of Tapestry (NZ EEZ) patrols. (Included in NMCC hours)	31	18	37
Number of NORPAT (South Pacific EEZ) patrols. (Included in NMCC hours)	5	3	8
Preparedness - Airborne Surveillance and Response Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Terrorist and Asymmetric Threats (EC 1D)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
Natural and manmade disasters (EC 2B)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)	Partially Prepared	Substantially Prepared	Substantially Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)	Partially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)	Partially Prepared	Substantially Prepared	Substantially Prepared
Inter-State conflict (EC 4F)	Partially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
Terrorist Threats (EC 5D)	Partially Prepared	Partially Prepared	Partially Prepared

Note - The P-3K2 Orion will not be available for full employment in EC 1D and EC 4A, 4F and 5D tasks due to a staged capability development over FYs 2012/13 and 2013/14 and the subsequent achievement of full Supplemental Type Certification. If there is sufficient priority, capability development activity for the P-3K2 could be postponed to undertake tasks of national significance.

Fixed Wing Transport Forces (M22)

Scope of Appropriation

Provision of the capabilities of No 40 Squadron RNZAF (Boeing 757-200 and C-130 Hercules aircraft) prepared to conduct strategic and tactical air transport operations, including aeromedical evacuation, in accordance with NZDF Output Plan specifications, and to contribute support services to the community.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	252,817	252,817	263,888
Revenue from Crown	250,483	250,483	261,967
Revenue from Other	2,334	2,334	1,921

Reasons for Change in Appropriation

The appropriation will increase by \$11.071 million to \$263.888 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of B757-200 available for strategic military transport tasks (from a total fleet of two aircraft)	2 Aircraft	2 Aircraft	2 Aircraft
Number of C-130 aircraft available for deployed military tasks (from a total fleet of five aircraft)	2 Aircraft	2 Aircraft	2 Aircraft
Number of additional C-130 aircraft available for EC 1D and emergency tasks, as required The number of C-130 Hercules aircraft available during 2013/14 will be affected by the on-going life extension programme to upgrade the fleet. Aircraft available for tasking will be constrained by ongoing aircrew transition training for the new platform and test and evaluation activities. The reduced fleet size will have an impact on the duration of any operational deployments and the ability to rotate any such deployments. The requirement to sustain core and the directed level of capability training will also affect the nature and extent of tasking that can be undertaken by the C-130 fleet during the period	1 Aircraft	1 Aircraft	1 Aircraft
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total Air Flying Hours:			
Boeing 757 (range is target plus or minus 5%)	1,330 - 1,470	1,330 - 1,470	1,235 - 1,365

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Hercules C-130 (range is target plus or minus 5%) The total C-130 annual flying hour's allocation has been adjusted to reflect the reduction in the number of C-130 aircraft available and the total number of hours that can be generated and supported by the fleet during FY 2013/14	1,567 - 1,732	1,289 - 1,425	1,710 - 1,890
Planned flying hours to support search and rescue, Domestic Tasks and government (all included in total hours). These consist of the following:	136	293	372
Planned flying hours in support of search and rescue - C-130 Hercules	16	8	16
Planned flying hours in support of Ministry of Foreign Affairs and Trade for the purpose of South Pacific disaster relief - C-130 Hercules	50	11	50
Planned flying hours in support of Antarctica New Zealand - C-130 Hercules and Boeing 757	Included in total flying hours	Included in total flying hours	150
Planned flying hours in support of Department of Prime Minister and Cabinet (VIP flying) - Boeing 757	70	274	156
Preparedness - Fixed Wing Transport Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
B757 Transport Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
C-130 Transport Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
B757 Transport Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
C-130 Transport Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
B757 Transport Force	Fully Prepared to support current operations. Substantially Prepared for additional operations	Substantially Prepared to support current operations. Substantially Prepared for additional operations	Fully Prepared to support current operations. Substantially Prepared for additional operations
C-130 Transport Force	Fully Prepared to support current operations. Substantially Prepared for additional operations	Substantially to support current operations. Substantially Prepared for additional operations	Fully Prepared to support current operations. Substantially Prepared for additional operations

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
B757 Transport Force	Fully Prepared to support current operations. Substantially Prepared for additional operations	Substantially Prepared to support current operations. Substantially Prepared for additional operations	Fully Prepared to support current operations. Substantially Prepared for additional operations
C-130 Transport Force	Fully Prepared to support current operations. Substantially Prepared for additional operations	Partially Prepared to support current operations. Substantially Prepared for additional operations	Fully Prepared to support current operations. Substantially Prepared for additional operations
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Partially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared

Land Combat Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Land Combat Forces (command, control, intelligence and manoeuvre force elements) prepared to conduct land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	335,126	335,126	348,124
Revenue from Crown	332,699	332,699	346,096
Revenue from Other	2,427	2,427	2,028

Reasons for Change in Appropriation

The appropriation will increase by \$12.998 million to \$348.124 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Army, drawing on Headquarters Deployable Joint Task Force (Land) (HQ DJTF (L)), HQ 1 (NZ) Brigade, 1 RNZIR, 2/1 RNZIR, QAMR and force elements from 1 (NZ) Signals Regiment, and with supplementation from the Territorial Force, as required, will provide the initial and rotation land combat force elements to constitute, generally:</p> <ul style="list-style-type: none"> one sustainable Light Task Group (LTG) for tasks under ECs 1 to 5 (inclusive) (see Note 1 for definition of a LTG), or one non-sustainable Combined Arms Task Group (CATG) under ECs 2 to 5 (inclusive). (see Note 1 for definition of a CATG) one sustainable Light Task Group (LTG) and joint enablers for tasks under ECs 1 to 5 (inclusive). (see Note 1 for definition of a LTG): and one sustainable Combined Arms Task Group with joint enablers for tasks under ECs 2 to 5 (inclusive). (See Note 1 for definition of a CATG) 	Available	Available	Expired measure
	Available	Available	Expired measure
	Replacement indicator	Replacement indicator	Available for concurrent deployments
	Replacement indicator	Replacement indicator	Available for concurrent deployments
<p>Army will also provide:</p> <ul style="list-style-type: none"> an appropriate headquarters for simulation and Command Post Exercise-based combined-arms training an appropriate headquarters (including intelligence and communications support) for command and control of a deployed force. 	Available	Available	Available
	Available	Available	Available
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Preparedness - Land Combat Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Command, Control and Intelligence	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Manoeuvre Elements (Light Infantry and Motorised):			
<ul style="list-style-type: none"> up to a LTG (for Cordon duties) 	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Command, Control and Intelligence	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Manoeuvre Elements (Light Infantry and Motorised):			
• up to a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Command, Control and Intelligence	Substantially Prepared	Substantially Prepared	Substantially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
up to a LTG, and	Substantially Prepared	Substantially Prepared	Substantially Prepared
up to a CATG.	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Command, Control and Intelligence	Substantially Prepared	Substantially Prepared	Substantially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
up to a LTG, and	Substantially Prepared	Substantially Prepared	Substantially Prepared
up to a CATG.	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Inter-State conflict (EC 4F)</i>			
Command, Control and Intelligence	Partially Prepared	Partially Prepared	Partially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• up to a CATG	Partially Prepared	Partially Prepared	Partially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Command, Control and Intelligence	Substantially Prepared	Substantially Prepared	Substantially Prepared
Manoeuvre Elements (Infantry and Reconnaissance):	Substantially Prepared	Substantially Prepared	Substantially Prepared
• up to a CATG			

Note 1 - Definitions of a Light Task Group (LTG) and Combined Arms Task Group (CATG):

- A Light Task Group (LTG) is designed to have a deployed strength of up to 260 personnel to conduct primarily humanitarian and disaster relief, and stability and support tasks. It can include combat, combat service support (CSS) and limited combat support (CS) elements. If manoeuvre based, it may be light infantry, motorised or composite. The LTG is supported by Information Operations (IO) and enhanced communications, intelligence and Geospatial Information Systems (GIS) capabilities. The LTG will be available for operations across Employment Contexts 1 to 5 (inclusive), however, it is designed primarily for the EC 1 and 2 environments. This task group is based around a single sub-unit sized element.
- A Combined Arms Task Group (CATG) allows for a scalable group of up to 560 personnel providing a range of combined arms capabilities, including combat, CS and CSS; it may be light infantry, motorised, or composite based. The scale of the deployed force will be dependent on the amount of local, coalition or contractor resources available in theatre to support the force. In a worst case, the CATG must be largely self-sufficient for independent operations. The CATG is based around two or more sub-unit sized elements. The CATG will be available for operations across Employment Contexts 1 to 5 (inclusive).

- The combination of the above Task Groups (LTG and CATG) provides an option to deploy an 800 man CATG. The 800 man CATG is scalable, adaptable and is optimised for an EC 2 environment. Task organised groups can be tailored to conduct a variety of missions inclusive of humanitarian assistance/disaster relief and support operations, combat or special operations. It can include combat, CS and CSS elements. If manoeuvre based, it may be light infantry, motorised or composite. The CATG is possibly supported by special operations and is supported by information operations and enhanced communications, intelligence and geospatial information systems capabilities.
- The provision of a sustainable LTG and a sustainable CATG is in addition to current NZDF-supported United Nations and Multinational Force and Observers peace keeping missions.

Land Combat Service Support Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Land Combat Service Support Forces (transport, medical, supply, maintenance support and movements force elements) prepared to support land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	166,502	166,502	170,020
Revenue from Crown	165,189	165,189	168,923
Revenue from Other	1,313	1,313	1,097

Reasons for Change in Appropriation

The appropriation will increase by \$3.518 million to \$170.020 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Army, drawing on 2 Combat Service Support Brigade (2 CSSB), 3 CSSB), 2 Health Support Battalion and Logistic Command, as part of, respectively, 1 (NZ) Brigade and the NZDF, with supplementation from the Territorial Force, as required, will provide the initial and rotation combat service support force elements to support, generally, as applicable:			
up to a LTG for tasks under ECs 1 to 5 (inclusive) or	Available	Available	Expired measure
up to a CATG for tasks under ECs 2 to 5 (inclusive)	Available	Available	Expired measure
up to a LTG for tasks under ECs 1 to 5 (inclusive) and	Replacement indicator	Replacement indicator	Available
up to a CATG for tasks under ECs 2 to 5 (inclusive)	Replacement indicator	Replacement indicator	Available
Army will also provide combat service support elements for simulation and Command Post Exercise-based combined-arms training; this will require supplementation by TF Battalion Groups	Available	Available	Available

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Preparedness - Land Combat Service Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Transport Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Medical Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Supply Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Maintenance Support Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Movements Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Transport Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Medical Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Supply Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Maintenance Support Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Movements Elements in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Transport Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Transport Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Maintenance Support Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Maintenance Support Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Transport Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Transport Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Maintenance Support Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Maintenance Support Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Inter-State conflict (EC 4F)</i>			
Transport Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Medical Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Supply Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Maintenance Support Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Movements Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Transport Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Maintenance Support Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared

Land Combat Support Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Land Combat Support Forces (artillery, engineers, communications and military police force elements) prepared to conduct land operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	212,150	212,150	204,850
Revenue from Crown	210,513	210,513	203,477
Revenue from Other	1,637	1,637	1,373

Reasons for Change in Appropriation

The appropriation will decrease by \$7.300 million to \$204.850 million for 2013/14. This decrease reflects change in future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Army, drawing on 1 (NZ) Brigade, Regular Force artillery, engineer, communications, and military police units [16 Field Regiment, 2 Engineer Regiment, 1 (NZ) Signals Regiment - including an Electronic Warfare element, and 1 (NZ) Military Police Company], and with supplementation from the Territorial Force, as required, will provide the initial and rotation land combat support force elements to support, generally, as applicable:			
up to a LTG for tasks under ECs 1 to 5 (inclusive): or	Available	Available	Expired measure
up to a CATG for tasks under ECs 2 to 5 (inclusive)	Available	Available	Expired measure
up to a LTG for tasks under ECs 1 to 5 (inclusive): and	Replacement indicator	Replacement indicator	Available
up to a CATG for tasks under ECs 2 to 5 (inclusive)	Replacement indicator	Replacement indicator	Available
Army will also provide artillery, engineer, communications and military police force elements for simulation and Command Post Exercise-based combined-arms training; this will require supplementation from the Territorial Force	Available	Available	Available
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Preparedness - Land Combat Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Field Artillery (personnel only) - in support of a LTG for Cordon Duties	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Engineers in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Communications in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Military Police in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Field Artillery (personnel only) - in support of a LTG for Cordon Duties	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Engineers in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Communications in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Military Police in support of a LTG	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Field Artillery (personnel only) in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Field Artillery (personnel only) in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Field Artillery (personnel only) in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Field Artillery in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Military Police in support of LTG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Inter-State conflict (EC 4F)</i>			
Field Artillery in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Engineers in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Communications in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Military Police in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Field Artillery in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared

Littoral Warfare Support Forces (M22)

Scope of Appropriation

This appropriation is limited to the provision of capabilities necessary to ensure access to and the use of harbours, inshore waters and associated coastal zones in New Zealand and wherever NZDF deployed maritime forces are required to operate. This capability is delivered through the combination of HMNZS Manawanui, and similar support vessels including Survey Motor Boat Adventure and the Rapid Environmental Assessment Boats Takapu and Tarapunga, the Mine Countermeasures Team, the Operational Diving Team and the Maritime Survey Team. This output expense also includes contributions to a range of services to other government agencies and the community.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	33,162	33,162	32,583
Revenue from Crown	32,714	32,714	31,370
Revenue from Other	448	448	1,213

Reasons for Change in Appropriation

The appropriation will decrease by \$579,000 to \$32.583 million for 2013/14. This decrease reflects the change in future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
HMNZS Manawanui available for military tasks	Vessel Available	Vessel Available	Expired measure
Littoral Warfare Support Vessels available for military tasks	Replacement indicator	Replacement indicator	Vessels Available
Operational Diving Team (ODT) available for military tasks	ODT Available	ODT Available	ODT Available
Mine Countermeasures Team (MCT) available for military tasks	Available	MCT Available	MCT Available
Maritime Survey Team (MST) available for military tasks	Available	MST Available	MST Available
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Undertake Defence diplomacy tasks in accordance with NZDF and Government/Ministry of Foreign Affairs and Trade requirements. This normally involves ship visits to foreign ports	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
HMNZS Manawanui Mission Availability Days / Sea Days (range is target plus or minus 5%)	266 / 147 - 163	268 / 118 - 130	304 / 143 - 157
Operational Diving Team time (range in hours plus or minus 5%). (The diving hours refer to actual time in the water.)	300 - 350	285 - 315	300 - 350
Preparedness - Naval Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Available at the appropriate degree of notice
Diving Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Military Hydrography Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Mine Countermeasures (MCM) Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Available at the appropriate degree of notice
Diving Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Military Hydrography	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
MCM Force	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Substantially Prepared	Substantially Prepared	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Operational Diving Team	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Hydrography	Substantially Prepared	Substantially Prepared	Substantially Prepared
MCM Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Substantially Prepared	Substantially Prepared	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Operational Diving Team	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Hydrography	Substantially Prepared	Substantially Prepared	Substantially Prepared
MCM Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Substantially Prepared	Substantially Prepared	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Operational Diving Team	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Hydrography	Substantially Prepared	Substantially Prepared	Substantially Prepared
MCM Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Substantially Prepared	Substantially Prepared	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Operational Diving Team	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Hydrography	Substantially Prepared	Substantially Prepared	Substantially Prepared
MCM Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Littoral Warfare Support Vessels (HMNZS Manawanui)	Substantially Prepared	Substantially Prepared	Expired measure
Littoral Warfare Support Vessels	Replacement indicator	Replacement indicator	Substantially Prepared
Operational Diving Team	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Hydrography	Substantially Prepared	Substantially Prepared	Substantially Prepared
MCM Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared

Note - the replacement indicator of Littoral Warfare Support vessels includes HMNZS Manawanui.

Miscellaneous Support Activities MCOA (M22)

Scope of Appropriation

Support to Mutual Assistance Programme (MAP)

This output class is limited to the provision of training, technical advice and resource support to the defence forces of MAP partner countries, both in New Zealand and in the partner countries. Specialist niche training is also provided to the law enforcement agencies of South Pacific MAP partner countries.

Support to New Zealand Cadet Forces

This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.

Support to Service Military Museums

This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.

Support to Youth Development

This output class is limited to New Zealand Defence Force support to government initiated youth development schemes in New Zealand, being the conduct of Limited Service Volunteer courses and contributions to Youth Life Skills programmes (Service Academies and Military-style Activity Camps).

Explanation for Use of Multi-Class Output Expense Appropriation

Outputs of a miscellaneous and disparate nature that do not individually justify separate Departmental Output Expense recognition have been grouped to provide for improved transparency and accountability.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	26,021	26,021	24,293
Support to Mutual Assistance Programme (MAP)	4,695	4,695	5,087
Support to New Zealand Cadet Forces	3,355	3,355	2,887
Support to Service Military Museums	6,168	6,168	5,421
Support to Youth Development	11,803	11,803	10,898
Revenue from Crown	16,722	16,722	14,994
Support to Mutual Assistance Programme (MAP)	4,695	4,695	5,087
Support to New Zealand Cadet Forces	3,355	3,355	2,887
Support to Service Military Museums	6,168	6,168	5,421
Support to Youth Development	2,504	2,504	1,599
Revenue from Other	9,299	9,299	9,299
Support to Mutual Assistance Programme (MAP)	-	-	-
Support to New Zealand Cadet Forces	-	-	-
Support to Service Military Museums	-	-	-
Support to Youth Development	9,299	9,299	9,299

Reasons for Change in Appropriation

The appropriation will decrease by \$1.728 million to \$24.293 million for 2013/14. This decrease reflects a reduction in future operating pressures.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Generally for this MCOA:			
Training and administrative support will be provided in accordance with NZDF training quality standards as modified with senior staff from the requesting organisation:			
<ul style="list-style-type: none"> The degree of satisfaction expressed by the authorities requesting assistance - in accordance with their annual programmes. 	Satisfy	Satisfied	Satisfy
<ul style="list-style-type: none"> Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the limited resources available. 	Satisfy	Satisfied	Satisfy
Support to Mutual Assistance Programme (MAP):			
<ul style="list-style-type: none"> Range of anticipated training and technical assistance for the MAP. Each activity could include formal training, on-the-job training, specialist advice, attachments, in-country Technical Advisers, Mutual Assistance Training Teams, and exchanges - both in New Zealand and in MAP countries overseas, as applicable. 	110 - 140	80 -110	80 - 110
<ul style="list-style-type: none"> Complete the MAP country programmes and activities - consistent with the MAP policy objectives and outcomes agreed with the participant defence forces or law enforcement agencies (where appropriate), and that are also consistent with NZDF practices. 	Deliver	Delivered	Deliver
<ul style="list-style-type: none"> Monitor and analyse MAP activities within each country programme through various processes, including post-activity reports, evaluation of the training outcomes against identified need and feedback from annual talks. 	Monitor and Analyse	Monitored and Analysed	Monitor and Analyse
Support to New Zealand Cadet Forces (NZCF)			
<i>General:</i>			
The NZCF comprises 421 NZCF officers and 3,864 cadets within 101 Cadet Force Units across New Zealand. The personnel figures fluctuate from month to month, especially at the end of the school year. Permanent staff includes 27 Tri-Service, Regular Force training and support staff, and five civilian administrative staff.			
<ul style="list-style-type: none"> Number of courses conducted for NZCF officers / (representing the number of officer training days). 	35 (2,907)	13 (1,536)	21 (2,092)
<ul style="list-style-type: none"> Number of courses conducted for NZCF cadets / (representing the number of cadet training days). (Training days do not include community projects completed at the local level.) 	39 (10,115)	32 (8,950)	32 (8,950)
<ul style="list-style-type: none"> All courses conducted will meet the requirements of the NZ Qualifications Authority (NZQA) framework, where appropriate. 	Meet	Met	Meet
<ul style="list-style-type: none"> Meet the training, course and exercise objectives of the NZ Cadet Forces. 	Meet	Met	Meet
<ul style="list-style-type: none"> Positive feedback/reports from Area Coordinators, Cadet Unit Commanders and the public and overall evaluation by the Commandant NZCF. 	Positive Feedback	Positive Feedback	Positive Feedback

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Support to Youth Development:			
<ul style="list-style-type: none"> Number of Limited Service Volunteer (LSV) Scheme training courses (Auckland, Wellington and Burnham) conducted per year for unemployed and/or disadvantaged youth, each course of six weeks duration, and conducted on behalf of the Ministry of Social Development (MSD). 	18 courses	18 courses conducted (12 courses are completed within the FY, with six spanning FYs)	18 courses will be conducted
<ul style="list-style-type: none"> Number of trainees (selected by the MSD and between the ages of 17 and 25 years) trained on LSV courses. 	Up to 1,500	1,500 positions made available per calendar year	1,500 positions will be made available
<ul style="list-style-type: none"> Number of Service Academies in high schools supported per year in support of the Ministry of Education. 	24 Service Academies	24 Service Academies supported	24 Service Academies will be supported
<ul style="list-style-type: none"> Number of youth passing through the Service Academies per year. 	Up to 520	Places for up to 540. Actual numbers attending are dictated by Service Academies with average of 20 - 25 students per academy	Places for up to 540 will be made available
<ul style="list-style-type: none"> Number of Military-style Activity Camps supported per year in support of the MSD (Child, Youth and Family) under the Government's Fresh Start for Young People programme. 	Four Camps will be supported	Four camps supported	Four camps will be supported
<ul style="list-style-type: none"> Number of youth passing through the Military-style Activity Camps per year. 	Up to 40 youths per year	Up to 40 youths	Up to 40 youths
<ul style="list-style-type: none"> Total number of NZDF staff (military and civilian) involved in direct support of all Youth Development Schemes over the year. <p>(Note - this number (17) reflects the approximate number of staff of the Youth Development Unit, whose personnel costs are met by NZDF funding. This figure should have reflected the total number of NZDF staff directly involved in all youth development schemes over the year [estimated to be 120 at the end of FY 2012/13], which are mostly funded by MSD.)</p>	17	120	129
Support to Service Military Museums:			
<ul style="list-style-type: none"> Maintain current Service Museums at Devonport (Navy), Waiouru (Army), and Wigram (Air Force). 	Maintain	Maintained	Maintain
<ul style="list-style-type: none"> Provide staff, infrastructure and resources to Service Museums to ensure the collection development, collection management and exhibits of New Zealand's significant military history to the people of New Zealand, her Armed Forces and visitors to our nation, to sector best practice. ('Collection Management' includes 'preservation'). 	Provide	Provided	Provide
<ul style="list-style-type: none"> Museum services provided in accordance with the relevant Trust Deeds and the Memorandums of Understanding between each of the Services and the individual museum trust boards. 	Provide	Provided	Provide
<ul style="list-style-type: none"> Each museum is subject to an annual review against Service Museum benchmarks and periodic reviews against the New Zealand Museum Standards Scheme. 	Review	Reviewed	Review
<ul style="list-style-type: none"> Performance assessment will be based on feedback from the individual museum trust boards and NZDF command, 'public satisfaction' surveys, annual and periodic reviews, and the number of military and civilian visitors per financial year. 	Yes	Yes	Yes

Conditions on Use of Appropriation

Reference	Conditions
Defence Act 1990 Part VII	Details regarding the responsibilities of the Minister of Defence and the Chief of Defence, relating to the New Zealand Cadet Forces, and about those forces generally, are contained in Sections 74 - 80 of the Defence Act 1990.

Naval Combat Forces (M22)

Scope of Appropriation

Provision of the capabilities of the frigates, HMNZ Ships TE KAHA and TE MANA, prepared to conduct maritime operations and to contribute support services to the community, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	337,625	337,625	325,357
Revenue from Crown	334,166	334,166	321,308
Revenue from Other	3,459	3,459	4,049

Reasons for Change in Appropriation

The appropriation will decrease by \$12.268 million to \$325.357 million for 2013/14. This decrease reflects the change in future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of ANZAC frigates, capable of embarking a Seasprite helicopter when ordered, available for military tasks (from a total fleet of two ANZAC frigates). (Details on the Seasprite Helicopters are recorded under Output Expense Naval Helicopter Forces)	One frigate. (HMNZS Te Kaha will be undergoing phase 2 of the Platform Systems Upgrade (PSU) commencing in January 2013)	One frigate	One frigate. (HMNZS Te Kaha will continue its PSU Phase Two period through until October 2013 with HMNZS Te Mana entering its PSU Phase Two period in April 2014)
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details, see the section on Domestic Tasks in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports	As required	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Naval Combat Force Mission Availability Days / Sea Days for the year (range is target plus or minus 5%)	313 / 158 - 174	395 / 193 - 213	453 / 152 - 168
Preparedness - Naval Combat Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Terrorist and Asymmetric Threats (EC 1D)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
Natural and manmade disasters (EC 2B)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)	Substantially Prepared	Substantially Prepared	Substantially Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)	Substantially Prepared	Substantially Prepared	Substantially Prepared
Inter-State conflict (EC 4F)	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
Terrorist Threats (EC 5D)	Substantially Prepared	Substantially Prepared	Substantially Prepared

Deployment Impact: The Naval Combat Forces will be able to reach a higher performance rating for higher end/combat-related tasks (under ECs 3-5) once the Frigate Systems Upgrade is completed.

Naval Helicopter Forces (M22)

Scope of Appropriation

Provision of the capabilities of No 6 Squadron RNZAF (Seasprite SH-2G helicopters) prepared to conduct maritime operations in support of other Output Expenses, especially the Naval Combat Forces, Naval Support Forces and Naval Patrol Forces, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	86,511	86,511	90,994
Revenue from Crown	85,695	85,695	90,341
Revenue from Other	816	816	653

Reasons for Change in Appropriation

The appropriation will increase by \$4.483 million to \$90.994 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of SH-2G(NZ) Seasprite helicopters available for military tasks - embarked on a frigate, multi-role vessel and an offshore patrol vessel when ordered, from a total fleet of five Seasprite helicopters. When allocating flights to ships, a frigate is to be given priority There may be occasional short periods when up to three helicopters are available for embarkation	2 Helicopters	2 Helicopters	2 Helicopters
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
In conjunction with the Naval Combat Forces, undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total Seasprite Air Flying Hours (range is target plus or minus 5%)	1,140 - 1,260	1,140 - 1,260	1,140 - 1,260
Preparedness - Naval Helicopter Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Terrorist and Asymmetric Threats (EC 1D)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
Natural and manmade disasters (EC 2B)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)	Substantially Prepared	Substantially Prepared	Substantially Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)	Partially Prepared	Partially Prepared	Partially Prepared
Inter-State conflict (EC 4F)	Partially Prepared	Partially Prepared	Partially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
Terrorist Threats (EC 5D)	Partially Prepared	Partially Prepared	Partially Prepared

Naval Patrol Forces (M22)

Scope of Appropriation

This appropriation is limited to the provision of the capabilities of the Offshore and Inshore Patrol Vessels (OPVs, IPVs) prepared for the conduct of maritime operations in support of Domestic Tasks, and for the security and protection of New Zealand's economic border and EEZ, in accordance with NZDF Output Plan specifications. The OPVs will also be prepared to conduct sovereignty and resource protection patrol operations in the Southern Ocean, Ross Dependency, South Pacific region and further afield when directed.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	125,805	125,805	131,171
Revenue from Crown	124,678	124,678	130,062
Revenue from Other	1,127	1,127	1,109

Reasons for Change in Appropriation

The appropriation will increase by \$5.366 million to \$131.171 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The OPVs, HMNZ Ships Otago and Wellington, with embarked Seasprite when ordered, available for military and domestic tasks once fully accepted into service with the Navy Details on the Seasprite helicopters are recorded under Output Expense 11 - Naval Helicopter Forces Subject to availability and the Government's requirements, tasking of the OPVs may take place in ECs other than those listed below	Both vessels available	One vessel for the entire year and the second vessel for Quarters 3 and 4 only, due to personnel shortages	Both vessels available
The IPVs, HMNZ Ships Rotoiti, Hawea, Pukaki and Taupo, available primarily for border protection and security in support of domestic and military tasks as required	All vessels available	Two vessels available due to personnel shortages	Availability will be generated from a three-ship rotation due to personnel shortages
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations. (For details see the section on Domestic Tasks in Part 2.1.) Agency allocations of sea days are coordinated by the National Maritime Coordination Centre (NMCC) and tasked by Headquarters Joint Forces New Zealand. The allocation of sea days throughout the year will be in support of planned and contingent operations	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
For the OPVs, undertake defence diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Offshore Patrol Force total mission availability / sea days (range is target plus or minus 5%)	371 / 198 - 218	348 / 173 - 191	532 / 283 - 313
Planned Offshore Patrol Force sea days available to NMCC (included in total days)	95	181	373
Planned South Pacific patrols	1	2	Expired measure
Planned South Pacific patrols (Composite Naval Patrol Forces delivery)	Replacement indicator	Replacement indicator	2
Planned Southern Ocean patrols	2	1	2
Planned offshore resupply operations in support of the Department of Conservation (principally Raoul Island and the Sub-Antarctic Islands). [May require support from HMNZS Canterbury]. Note: number of patrols and resupply operations are included in planned sea days	2	3	2
Inshore Patrol Vessel mission availability / sea days (range is target plus or minus 5%)	749 / 484 - 535	559 / 273 - 302	830 / 262 - 290
Planned Inshore Patrol Vessel sea days available to NMCC (included in total days).	455	582	441
Preparedness - Naval Patrol Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>			
Offshore Patrol Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Inshore Patrol Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Offshore Patrol Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Inshore Patrol Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Offshore Patrol Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Offshore Patrol Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Offshore Patrol Forces	Substantially Prepared	Substantially Prepared	Substantially Prepared

Naval Support Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Fleet Replenishment Ship, HMNZS ENDEAVOUR, and the Multi-Role Vessel, HMNZS CANTERBURY, prepared to conduct maritime logistic support and amphibious sealift operations for deployed military forces, in accordance with NZDF Output Plan specifications. This output expense also includes contributions to a range of services provided to Government and the community.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	99,612	99,612	110,432
Revenue from Crown	98,173	98,173	108,997
Revenue from Other	1,439	1,439	1,435

Reasons for Change in Appropriation

The appropriation will increase by \$10.820 million to \$110.432 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
HMNZS Endeavour available for military tasks.	Available	Available	Available only during September 2013 and April - June 2014 due to maintenance and classification survey work, coupled with personnel shortages
HMNZS Canterbury, with the capability to embark Seasprite helicopter/s when ordered, and transport NH-90 helicopters as required, once fully accepted into service, available for military tasks HMNZS Canterbury will be capable of embarking four NH-90 medium utility helicopters - to be acquired by the NZDF in 2011/12/13 - on completion of ship/aircraft integration and first of class flight trials Details of Seasprite helicopters are recorded under Output Expense 11 - Naval Helicopter Forces	Available, apart from the period August 2012 to March 2013 when the ship will undergo remediation work. Alternative arrangements will be made for coverage over this period	Available outside remediation maintenance period	Available
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Both vessels undertake Defence Diplomacy tasks in accordance with NZDF and Government/Ministry of Foreign Affairs and Trade requirements. This normally involves ship visits to foreign ports	Deliver	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
HMNZS Endeavour Mission Availability Days / Sea Days for the year (range is target plus or minus 5%):	173 / 95 - 105	216 / 120 - 132	133 / 49 - 61
HMNZS Canterbury Mission Availability Days / Sea Days for the year (range is target plus or minus 5%):	196 / 127 - 141	144 / 82 - 90	303 / 144 - 160
Preparedness - Naval Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>			
HMNZS Canterbury	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
HMNZS Canterbury	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
HMNZS Endeavour	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
HMNZS Canterbury	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
HMNZS Endeavour	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS Canterbury	Substantially Prepared	Substantially Prepared	Substantially Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)			
HMNZS Endeavour	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS Canterbury	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
HMNZS Endeavour	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS Canterbury	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
HMNZS Endeavour	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS Canterbury	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
HMNZS Endeavour	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS Canterbury	Substantially Prepared	Substantially Prepared	Substantially Prepared

Operationally Deployed Forces Annual (M22)

Scope of Appropriation

The provision of deployed force elements on military tasks, including the commitments agreed by Government under which the NZDF contributes to peace support and other operations conducted in support of the United Nations and other international agencies. It includes the provision of individuals, observers, advisers, instructors, headquarters staff, and complete force elements and contingents.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	65,361	65,361	27,658
Revenue from Crown	65,053	65,053	27,073
Revenue from Other	308	308	585

Reasons for Change in Appropriation

The appropriation will decrease by \$37.703 million to \$27.658 million for 2013/14. This decrease reflects the reduction in deployments.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The performance of NZDF Force Elements deployed on government-approved operational missions is assessed against the following:			
<ul style="list-style-type: none"> Individuals and the Force Element, as applicable, to meet the Operational Level of Capability (OLOC) requirements for the applicable operational mission prior to deployment. 	Meet	Met	Meet
<ul style="list-style-type: none"> Mission tasks, however generated (assigned or implied), are met to the satisfaction of the force commander. 	Met	Met	Meet
<ul style="list-style-type: none"> Degree of satisfaction of performance on mission is expressed both formally and informally by the Force Commander (United Nations, Coalition, or other), to the New Zealand senior officer on the mission, to visiting NZ politicians (such as the Minister of Defence), to visiting senior NZ officers (such as CDF, Service Chiefs or COMJFNZ), and others. 	Satisfy	Satisfied	Satisfy
<ul style="list-style-type: none"> Timely replacement of individuals, force elements or units when requested, as specified, and as approved by the NZ Government. 	Meet	Met	Meet
<ul style="list-style-type: none"> Maintain the ability to sustain the contributions to deployments in accordance with the government's requirements. 	Meet	Met	Meet
<ul style="list-style-type: none"> Financial and logistic controls and accountabilities meet the standards required for reliable reporting. 	Meet	Met	Meet

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Operational Commitments			
Maintain the Government-approved deployments / operational commitments (number of personnel deployed), as at 1 April 2013, as shown below.			
The numbers of personnel operationally deployed fluctuate from month to month during the year. These fluctuations result from missions closing and opening, short term deployments, seasonal variations to the numbers involved in specific missions, and so on. It is therefore not particularly relevant to compare the budgeted numbers at the start of the financial year with the estimated numbers at the end of the financial year. However, a year-on-year comparison provides an indicator of the trend of personnel deployed (more or less), but still does not capture short-term deployments that at the start of the year were not known, nor exact deployment/withdrawal dates during the year.			
• OP KORU (Timor Leste) All Operations	5	0	Expired measure
• UNTSO (Middle East) [OP SCORIA]	8	8	8
• MFO (Sinai) [OP FARAD]	26	28	28
• UNAMI (Iraq) [OP HAVEN, OP IRON]	1	1	1
• OP ARIKI (Afghanistan) [OP CRIB]	140	20	Expired measure
• NZ SAS contingent (Afghanistan)	0	6	Expired measure
• Intelligence Support Group (Afghanistan)	Replacement indicator	Replacement indicator	12
• OP ARIKI (Afghanistan) [OP KEA]	5	15 (includes Afghanistan National Army Officer Academy)	11 (includes Afghanistan National Army Officer Academy)
• OP ARIKI (Tampa, Florida, USA) [OP SPEAK]	2	2	2
• OP ARIKI (Afghanistan) [OP AFFIRM]	1	1	1
• OP ARIKI (Afghanistan) [OP RUA]	2	0 (subsumed into OP KEA above)	Expired measure
• OP TROY (Middle East) (includes three support personnel in Afghanistan)	5	5	8
• UNMIS [OP SUDDEN] (Sudan)	3	3	3
• UNPOS [MILAD] (Kenya/Somalia)	1	0	1 (subject to UN contract)
• OP TIKI IV (Gulf of Aden)	2	0	As at the time of writing, Cabinet has yet to approve any NZDF deployments to the Gulf of Aden
• OP RATA II (Solomon Islands)	50	0	8 (until Aug 2013)
• UNCMAC (Republic of Korea) [OP MONITOR]	3	3	3
• USCENTCOM Staff Officer	2	2 (included in OP ARIKI above)	(included in OP ARIKI above)
• UNMAC (Libya) [Subject to NZ Govt approval]	1	0	Expired measure (mission has been formally stood down)
Total NZDF personnel deployed:	257	94	86

Policy Advice And Other Services For Veterans MCOA (M75)

Scope of Appropriation

Administration Services

This output class 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 output class 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 output class 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.

Explanation for Use of Multi-Class Output Expense Appropriation

This appropriation is a MCOA because the output classes of Administration Services, Policy Advice, and Services and Payments to Veterans contribute to a common outcome of providing support to veterans.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	11,137
Administration Services	-	-	4,625
Policy Advice	-	-	220
Services and Payments to Veterans	-	-	6,292
Revenue from Crown	-	-	10,660
Administration Services	-	-	4,625
Policy Advice	-	-	220
Services and Payments to Veterans	-	-	5,815
Revenue from Other	-	-	477
Administration Services	-	-	-
Policy Advice	-	-	-
Services and Payments to Veterans	-	-	477

Reasons for Change in Appropriation

In 2012/13 this appropriation was budgeted for as Policy Advice and Related Outputs MCOA of \$2.865 million and Services and Payments to Veterans of \$6.239 million under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will increase by \$2.033 million to \$11.137 million for 2013/14. This increase reflects the change in future operating pressures.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Administration Services			
Provide Ministerial Servicing and Support:			
Replies to requests within 20 days of receipt of requests, if not otherwise agreed	95%	95%	95%
Responses accepted without substantive amendment	95%	95%	95%
Provide Administration for War Pensions Appeal Board and War Pensions Advisory Board:			
Arrangements and actions meet Boards' requirements	Meet	Met	Meet
Actions defined by Boards will be completed within 20 working days after decisions are made, unless otherwise specified	95%	95%	95%
Management of Rehabilitation Loan Scheme:			
Make payments within timeframes specified	100%	100%	100%
Administration of maintenance agreements and contracts for service relating to the maintenance and development of Services Cemeteries:			
Contracts to be current, legally correct and clearly specify maintenance and development requirements	Meet	Met	Meet
No breaches of contract by Veterans' Affairs New Zealand	100%	100%	100%
Breaches of contracts by contractors will be managed as per the conditions of the contact	Meet	Met	Meet
Services Cemeteries will have maintenance agreements specifying the maintenance standards in place	100%	100%	100%
Quality Audits of Services Cemeteries:			
Specifications outlined in contracts for service have been met	100%	100%	100%
Coordinate New Zealand's participation in the commemoration of significant military anniversaries:			
Participation to be delivered in accordance with agreed parameters and budget	Meet	Met	Meet
Policy Advice			
Provide 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 days of receipt of requests, if not otherwise specified	95%	95%	95%
The first drafts of all policy products presented to the Minister will be accepted on their presentation	95%	89%	95%
Policy papers will meet defined characteristics of quality advice (purpose, logic, accuracy, options consultation, practicality and presentation)	Meet	Met	Meet

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Services and Payments to Veterans			
Assess and Review Entitlements to War Disablement Pension:			
Assessments and Reviews will be conducted against extant policy	Meet	Met	Meet
War Disablement Pension Claims will be determined by the Claims Panel within two months of receipt where all the required documentation has been provided	85%	85%	85%
Reviews and re-openings will be completed within three months of receipt by the National Review Officer	95%	95%	95%
Reviews and re-openings will be completed within three months of receipt by the Secretary for War Pensions	95%	95%	95%
Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans:			
Ex-Service memorials will be factually correct, meet technical specifications as contracted and be correctly installed	99.5%	99.5%	99.5%
Decisions on eligibility for ex-service memorials will be made within legislative parameters	Meet	Met	Meet
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%	75%
Provide Case Management:			
New referrals to case management will be assigned a case manager within five working days	95%	95%	95%
Active cases will be contacted every four months (in the range one to four months) to monitor progress and effectiveness of the interventions put in place	100%	100%	100%
The intervention packages that are put in place by case management will meet the identified need of the veteran	85%	85%	Meet
Deal with Enquiries:			
Calls will be resolved on first contact	80%	80%	80%
Calls will be resolved within five working days	100%	100%	100%
The resolution provided by the enquiry line will meet the identified need of the caller	95%	95%	95%

Conditions on Use of Appropriation

Reference	Conditions
Extant Policy	Policy complies with the War Pensions Act 1954
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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Government Response to Law Commissions Report on War Pensions Act 1954	2012/13	150	592	337	570	487
Anniversary of Korean War Armistice	2013/14	-	500	-	-	-

Policy Advice and Related Outputs MCOA (M22)

Scope of Appropriation

Ministerial Services

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

Policy Advice

This output class is limited to the provision of 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 Defence and the New Zealand Defence Force.

Strategic Military Intelligence

This output class is limited to the collection, collation, analysis and dissemination of strategic military intelligence on areas of interest to New Zealand.

Explanation for Use of Multi-Class Output Expense Appropriation

This appropriation is limited to the provision of policy advice to the Minister and contributions to policy advice led by other agencies, Ministerial services, and the collection and dissemination of strategic military intelligence and contributions to the national intelligence community. This appropriation is a MCOA because Ministerial services and strategic military intelligence support the provision of policy advice.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,529	16,529	14,519
Ministerial Services	1,886	1,886	1,658
Policy Advice	1,725	1,725	1,746
Strategic Military Intelligence	12,918	12,918	11,115
Revenue from Crown	16,238	16,238	14,304
Ministerial Services	1,886	1,886	1,658
Policy Advice	1,725	1,725	1,746
Strategic Military Intelligence	12,627	12,627	10,900
Revenue from Other	291	291	215
Ministerial Services	-	-	-
Policy Advice	-	-	-
Strategic Military Intelligence	291	291	215

Reasons for Change in Appropriation

The appropriation will decrease by \$2.010 million to \$14.519 million for 2013/14. This decrease reflects a reduction in future operating pressures.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Ministerial Services			
Number of Statutory Reports to Parliament (Statement of Intent and Annual Report).	2	2	2
Number of Select Committee Reports.	1 - 4	1	1-2
Number of Select Committee Questions (Foreign Affairs, Defence & Trade, and Finance and Expenditure Committees).	200 - 300	430	400 - 500
Numbers of Ministerial Correspondence ("Ministerials").	250 - 350	250	250 - 350
Number of Parliamentary Questions (for written and oral answer).	100 - 200	250	200 - 300
Policy Advice			
Number of submissions to Cabinet (in conjunction with the Ministry of Defence).	10 - 20	35	35 - 50
Number of Reports and Briefing Papers to Minister (in conjunction with the Ministry of Defence).	400 - 500	450	400 - 450
Strategic Military Intelligence			
Number of contributions to National Assessments Committee Reports.	30 - 50	30 - 50	30 - 50
Number of Military Threat Assessments.	5 - 10	5 - 10	5 - 10
Other reports and assessments.	3 - 5	3 - 5	3 - 5
Quality of Products			
The supply of individual products, as above, of high quality as defined by the characteristics of quality advice shown below.	Meet	Met	Meet
All reports and oral advice will be delivered within agreed or statutory time frame:			
<ul style="list-style-type: none"> Percentage of replies to Ministerials will be provided within 20 working days of receipt of request. 	95%	95%	95%
<ul style="list-style-type: none"> Percentage of replies to Parliamentary Questions for Written Answer will be provided by due date. 	95%	95%	95%
<ul style="list-style-type: none"> Percentage of replies to Parliamentary Questions for Oral Answer will be provided by midday on the day that the reply is due in the House. 	95%	95%	95%
<ul style="list-style-type: none"> Percentage of the first drafts of all policy papers accepted by the Minister. 	95%	95%	95%
Percentage of other responses accepted without substantive amendment.	95%	95%	95%
Degree of satisfaction expressed by the Minister, appropriate committee or agency (feedback from those for whom policy products have been provided).	High Satisfaction	High Satisfaction	Expired Measure
The satisfaction of the Minister of Defence with the policy advice service, as per the common satisfaction survey.	Replacement indicator	Replacement indicator	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.)	New indicator	New indicator	At least an average of 70%
The total cost per hour of producing policy advice outputs.	New indicator	New indicator	At most \$150

Note 1 - While the Ministry of Defence is the principal provider of defence policy advice to the Government, the Defence Force contributes to policy advice led by the Ministry and other agencies.

Note 2 - 'Policy advice' is that limited to the provision of 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 Defence and the NZDF.

Note 3 - The quality characteristics for policy advice are:

Purpose. The aim of the advice is clearly stated and answers the questions set.

Logic. The assumptions behind the advice are explicit, the argument is logical and supported by the facts.

Accuracy. The facts in the papers are accurate and all material facts have been included.

Evaluation. Advice provided includes, where appropriate and relevant, the outcomes to be achieved by the recommended course of action and the means by which that achievement will be evaluated.

Options. An adequate range of options has been presented and each is assessed for benefits, costs and consequences to government and the community.

Consultation. Evidence of adequate consultation with interested parties and possible objections to proposals have been identified.

Presentation. The format meets Cabinet Office and ministerial requirements; the material is effectively, concisely, and clearly presented, has short sentences in plain English, and is free of spelling or grammatical errors.

Timeliness. Papers are provided in time to meet Cabinet Office and ministerial requirements, or otherwise agreed.

Rotary Wing Transport Forces (M22)

Scope of Appropriation

This appropriation is limited to the provision of the capabilities of No 3 Squadron RNZAF (Iroquois helicopters) prepared to conduct tactical air transport, including aeromedical evacuation, and counter-terrorist operations, and to contribute support services to the community, in accordance with NZDF Output Plan specifications. In addition, the Helicopter Transition Unit, while conducting capability development, will be able on occasion to provide limited domestic transport tasks using the NH-90 and A-109 helicopters.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	221,200	221,200	245,899
Revenue from Crown	219,138	219,138	244,398
Revenue from Other	2,062	2,062	1,501

Reasons for Change in Appropriation

The appropriation will increase by \$24.699 million to \$245.899 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of NH-90 helicopters available for limited domestic transport tasks The introduction into service of the NH-90 helicopter will incrementally release capability as each capability development phase is completed	New indicator	New indicator	1 Helicopter
Number of A-109 helicopters available for limited domestic transport tasks from a total fleet of five The A-109 fleet's primary role is the delivery of training. Capability development of the light utility role will continue into 2013	1 Helicopter	1 Helicopter	1 Helicopter
Number of UH-1H Iroquois helicopters available for military tasks - from an available fleet of 10 helicopters	6 Helicopters	2 Helicopters	2 Helicopters
Number of additional UH-1H Iroquois helicopters on standby for rapid response tasks in New Zealand (under EC 1), such as Counter-Terrorist Operations and for Search and Rescue Missions	2 Helicopters	2 Helicopters	2 Helicopters
Undertake Domestic Tasks and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on Domestic Tasks in Part 2.1)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total NH-90 flying hours for Operational Testing and Evaluation (OT&E) and limited domestic transport tasks (target range in hours plus or minus 5%)	777 - 859	575 - 635	917 - 1,013
Total A-109 flying hours including OT&E and limited domestic transport tasks (target range in hours plus or minus 5%)	864 - 954	600 - 664	741 - 819
Total Iroquois Air Flying Hours (target range in hours plus or minus 5%)	2,442 - 2,699	1,534 - 1,696	1,021 - 1,129
Planned Iroquois flying hours to support Domestic Tasks (all hours included in total flying hours). These hours consists of the following:	505	357	240
Planned flying hours in support of NZ Police (excluding search and rescue)	400	282	170
Planned flying hours in support of search and rescue	60	40	40
Planned flying hours in support of NZ Fire Service and National Rural Fire Authority	20	20	20
Planning flying hours in support of Department of Prime Minister and Cabinet (VIP flying)	25	15	10
Preparedness - Rotary Wing Transport Forces (Iroquois): Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
Terrorist and Asymmetric Threats (EC 1D)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
Natural and manmade disasters (EC 2B)	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)	Substantially Prepared	Substantially Prepared	Substantially Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)	Substantially Prepared	Substantially Prepared	Substantially Prepared

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
Inter-State conflict (EC 4F)	Not Prepared	Not Prepared	Not Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
Terrorist Threats (EC 5D) Note - Operational tasks in high threat environments, which are likely to be encountered under ECs 4 and 5, are beyond the current capabilities of the Iroquois helicopter. This situation will not improve until the NH-90 helicopters have been fully introduced into service. The Iroquois retains a limited level of capability for low-level operational tasks within these ECs	Not Prepared	Not Prepared	Not Prepared

Note - The NH-90 and A-109 helicopters will be available for limited domestic transport tasks within EC1, but not ECs 1A and 1D, which are two assessed for preparedness. If sufficient priority exists, the NH-90 and/or A-109 could be called upon to halt capability development activity and undertake tasks of national significance where the operational, strategic or political effect of their employment outweighs the risks associated with utilising an immature military system for operations. To employ the new helicopters in this way, the Chief of Defence Force (on advice from the Chief of Air Force) would have to be satisfied that the risks to safe and effective mission completion were acceptable and manageable in light of the importance of the activity.

Special Operations Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Special Operations Forces prepared to conduct special forces operations in support of land operations, counter-terrorist operations, and the provision of Chemical, Biological, Radiological, Explosive, Improvised Explosive Device Disposal (CBRE IEDD) that threaten public safety or national interests, in accordance with NZDF Output Plan specifications.

Expenses and Revenue

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	80,214	80,214	87,239
Revenue from Crown	79,281	79,281	86,456
Revenue from Other	933	933	783

Reasons for Change in Appropriation

The appropriation will increase by \$7.025 million to \$87.239 million for 2013/14. This increase reflects future operating pressures including costs to sustain and build military capability including personnel, inflation, infrastructure and revaluation impacts.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Army, drawing on 1st NZ Special Air Service Regiment (1 NZ SAS Regt) will provide:			
<ul style="list-style-type: none"> The initial and rotation elements of up to a SAS Squadron to conduct special operations in support of land combat operations under Employment Contexts 1 - 5, and to provide elements, as appropriate, in support of a LTG or CATG. 	Available	Available	Available
<ul style="list-style-type: none"> A Counter-Terrorist Group to assist the NZ Police in Counter-Terrorist operations, including Maritime CT, under Employment Contexts 1D and 2D. 	Available	Available	Available
<ul style="list-style-type: none"> A Chemical, Biological, Radiological, Explosive (CBRE) and Improvised Explosive Device Disposal (IEDD) organisation of squadron strength, which has the ability to provide three IEDD Response Teams (one each based at Auckland, Wellington and Christchurch) and a specialist CBR Response Team to undertake emergency national IEDD/CBRE tasks in support of the NZ Police. 	Available	Available	Available
Deployment Impacts:			
<ul style="list-style-type: none"> If a high proportion of the Special Forces capability was deployed on actual operations, any other concurrent contribution from this output would be very limited. This does not, however, affect the ability of the NZDF to continue to fully deliver force elements for the Counter-Terrorist capability. The number of personnel qualified and available to deliver CBRE is currently limited. The deployment of any personnel from this output to Output Expense Operationally Deployed Forces would have a major impact on training and the ability of the NZDF to deliver CBRE. 			
Preparedness - Special Operations Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
Terrorist and Asymmetric Threats (EC 1D)			
Special Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Counter-Terrorist Forces	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
Chemical, Biological, Radiological, Explosive and Improvised Explosive Device Disposal	Available at the appropriate degree of notice	Available at the appropriate degree of notice	Available at the appropriate degree of notice
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)			
Special Forces	Fully Prepared	Fully Prepared	Fully Prepared
Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)			
Special Forces	Fully Prepared	Fully Prepared	Fully Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
Interstate Conflict (EC 4F)			
Special Forces	Fully Prepared	Fully Prepared	Fully Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
Terrorist Threats (EC 5D)			
Special Forces	Fully Prepared	Fully Prepared	Fully Prepared

Part 2.2 - Non-Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation.	Development and Maintenance of Services Cemeteries Support for Veterans and their Families
Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about, and access to, services and support that promote wellbeing.	Support for Veterans and their Families

Development and Maintenance of Services Cemeteries (M75)

Scope of Appropriation

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

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	746

Reasons for Change in Appropriation

In 2012/13, the appropriation was budgeted for \$746,000 under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Develop and Maintain Services Cemeteries			
Works carried out under contract will comply with agreed contract standards	90%	90%	90%
Services Cemeteries will be maintained to specified standards	100%	100%	100%
Works in Services Cemeteries will be managed in accordance with an agreed annual programme	Meet	Met	Meet
Services Cemeteries will be maintained to the satisfaction of Local Authorities, the RSA and veterans' representative organisations	Meet	Met	Meet

Conditions on Use of Appropriation

Reference	Conditions
Standards for Services Cemeteries	These define the maintenance standards for services cemeteries that Local Authorities need to meet in order to receive maintenance grants.
Works in Services Cemeteries	All work funded under this appropriation is contracted with specifications around the work to be undertaken.

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	1,027

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$1.177 million under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will decrease by \$150,000 to \$1.027 million for 2013/14. This is due to the effect of a one-off fiscally neutral adjustment enabled in 2012/13 from the output 'Ex-gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans.

Output Performance Measures and Standards

Performance Measures	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The services provided will be to the satisfaction of the veteran and/or the veteran's family	Meet	Met	Meet
Works carried out under contract will comply with agreed contract standards	95%	95%	95%

Conditions on Use of Appropriation

Reference	Conditions
Services	All interventions are contracted with specifications around the work to be undertaken

Part 3 - Details for Benefits and Other Unrequited Expenses

Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about, and access to, services and support that promotes wellbeing	Medical Treatment War Disablement Pensions including Interest Concessions Special Annuities

Medical Treatment (M75)

Scope of Appropriation

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.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	19,367

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$20.179 million under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will decrease by \$812,000 to \$19.367 million for 2013/14 due to lower expenditure on aids and appliances and medical treatment (excluding Australia).

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Government Response to Law Commission's Report on War Pensions Act 1954	2015/16	-	-	-	19	35

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	44

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$36,000 under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will increase by \$8,000 to \$44,000 for 2013/14 primarily due to the effect of a 2012/13 Cabinet decision to fund an additional recipient.

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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Granting of Special Annuity to W.T.M. Framhein	2012/13	5	14	15	15	15
Small Increase to Special Annuity Appropriation	2012/13	4	3	3	3	3

War Disablement Pensions (M75)

Scope of Appropriation

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.

Expenses

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	122,398

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$125.851 million under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will decrease by \$3.453 million to \$122.398 million for 2013/14. This is in line with the lower than anticipated Consumers Price Index change, a lower than anticipated uptake of veterans for additional deployments funding, and the ongoing reduction in the number of veterans. Partly offsetting this is the Government's response to the Law Commission's report on the War Pensions Act 1954.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
Increase in payment for gallantry allowances	2010/11	118	107	97	-	-
Tax Reform Package for Budget 2010	2010/11	3,363	3,425	-	-	-
Funding of Additional Deployments	2012/13	881	957	1,104	1,352	1,352
Government Response to the Law Commission's Report in the War Pensions Act 1954	2012/13	1,496	5,811	12,542	17,127	15,999
War Pension Coverage for Deployments to Syria	2012/13	28	26	26	27	27

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - 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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	250

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$250,000 under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	1,300

Reasons for Change in Appropriation

In 2012/13, this appropriation was budgeted for \$1.150 million under Vote Veterans' Affairs - Defence Force.

From 2013/14, this appropriation has been merged into Vote Defence Force. Refer to the table in Part 1.4 for the overall impact of this merger.

The appropriation will increase by \$150,000 to \$1.300 million for 2013/14. This is due to the effect of a 2012/13 forecast underspend of \$150,000 redirected to the non-departmental output expense 'Support for Veterans and Their Families'.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Performance Measures			
Provision of annual medical checks for Vietnam veterans	Up to 2,000	Up to 2,000	Up to 2,000
Number of ex-gratia payments likely to be made to Vietnam veterans and/or members of their family with accepted conditions	Up to six	Up to six	Up to six

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 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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2012/13 Budgeted \$000	2013/14 Budget \$000	2014/15 Estimated \$000	2015/16 Estimated \$000	2016/17 Estimated \$000
MOU signed by the Crown and the Ex-Vietnam Services Association with the RNZRSA regarding the concerns of the Vietnam veterans	2006/07	300	300	300	300	300
Annual Comprehensive Medical Assessments for Vietnam veterans	2009/10	1,000	1,000	1,000	1,000	1,000

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome: To maintain and upgrade capability of New Zealand Defence Force equipment and infrastructure. Impact: To contribute to effective and efficient NZDF capabilities.	New Zealand Defence Force - Capital Expenditure PLA

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

	2012/13		2013/14
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	299,003	299,003	569,483
Intangibles	18,997	18,997	13,517
Other	-	-	-
Total Appropriation	318,000	318,000	583,000

Reasons for Change in Appropriation

Capital expenditure costs are unique according to each year. This appropriation will recognise a \$64 million increase over the final 2011/12 estimate as a result of the payments forecast to be made to the Ministry of Defence (MoD) for Specialist Military Equipment (SME) purchases, and other projects managed by the NZDF during 2012/13.

Expected Results

	2012/13		2013/14
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Improved Military Capability and Infrastructure	\$318 million	\$318 million	\$583 million