

# *Vote Defence Force*

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

APPROPRIATION ADMINISTRATOR: New Zealand Defence Force

RESPONSIBLE MINISTER FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

## *Summary of the Vote*

### Overview

The Minister of Defence is responsible for Defence Force appropriations in Vote Defence Force, totalling just under \$3,087 million for the 2014/15 financial year.

This includes just under \$2,361 million for departmental output expenses covering the following:

- a total of just under \$1,943 million on Air, Army and Navy capabilities prepared for joint operations to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand. These are held at appropriate levels of capability and preparedness to protect New Zealand's territorial sovereignty and to contribute to regional and global security efforts. Most of these forces will also contribute to a range of services to other government departments and the New Zealand community when not committed to operations overseas, and
- a total of just under \$418 million on Multi-Category Appropriations (MCA) for Advice to the Government, Operations Contributing to New Zealand's Security, Stability and Interests, and the Protection of New Zealand and New Zealanders.

Of the total output expenses, about \$16 million is expected to be funded from third-party revenue (Revenue Department and Revenue Other) in 2014/15. The remainder is funded from Revenue Crown.

There is also a capital expenditure appropriation of up to \$726 million for the purchase of assets.

The Minister of Veterans' Affairs is responsible for Veterans' Affairs appropriations in Vote Defence Force totalling just over \$146 million for the 2014/15 financial year covering the following:

- a total of over \$9 million for departmental output expenses
- a total of just under \$2 million for non-departmental output expenses
- a total of just under \$134 million for benefits or related expenses, and
- a total of just under \$2 million for non-departmental other expenses.

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

# Estimates of Appropriations

## Details of Appropriations and Capital Injections

### Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Air Force Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Air Force capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	-	-	743,948
<b>Army Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Army capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	-	-	724,527
<b>Navy Capabilities Prepared for Joint Operations and Other Tasks (M22)</b> This appropriation is limited to the generation of Navy capabilities that achieve the levels of readiness for military operations and other tasks as directed by the Government of New Zealand.	-	-	474,463
<b>Airborne Surveillance and Response Forces (M22)</b> 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.	203,674	203,203	-
<b>Fixed Wing Transport Forces (M22)</b> 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.	263,425	262,804	-
<b>Land Combat Forces (M22)</b> 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.	349,710	348,900	-
<b>Land Combat Service Support Forces (M22)</b> 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.	174,997	174,593	-
<b>Land Combat Support Forces (M22)</b> 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.	220,852	220,342	-
<b>Littoral Warfare Support Forces (M22)</b> 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.	31,947	31,873	-

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses - cont'd</b>			
<b>Miscellaneous Support Activities MCOA (M22)</b>	29,393	29,325	-
<i>Support to Mutual Assistance Programme (MAP)</i> 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.	5,283	5,269	-
<i>Support to New Zealand Cadet Forces</i> This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.	3,808	3,799	-
<i>Support to Service Military Museums</i> This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.	7,994	7,978	-
<i>Support to Youth Development</i> 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).	12,308	12,279	-
<b>Naval Combat Forces (M22)</b> 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.	336,886	336,119	-
<b>Naval Helicopter Forces (M22)</b> 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.	83,560	83,364	-
<b>Naval Patrol Forces (M22)</b> 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.	117,011	116,742	-
<b>Naval Support Forces (M22)</b> 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.	112,693	112,402	-
<b>Operationally Deployed Forces Annual (M22)</b> 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.	27,170	13,170	-

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Policy Advice And Other Services For Veterans MCOA (M75)</b>	11,417	11,417	-
<i>Administration Services</i> 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.	4,905	4,905	-
<i>Policy Advice</i> 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.	220	220	-
<i>Services and Payments to Veterans</i> 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.	6,292	6,292	-
<b>Policy Advice and Related Outputs MCOA (M22)</b>	14,924	14,888	-
<i>Ministerial Services</i> 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.	1,305	1,301	-
<i>Policy Advice</i> 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.	2,049	2,044	-
<i>Strategic Military Intelligence</i> This output class is limited to the collection, collation, analysis and dissemination of strategic military intelligence on areas of interest to New Zealand.	11,570	11,543	-
<b>Rotary Wing Transport Forces (M22)</b> 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.	229,523	228,980	-
<b>Special Operations Forces (M22)</b> 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.	89,675	89,467	-
<b>Total Departmental Output Expenses</b>	2,296,857	2,277,589	1,942,938
<b>Departmental Capital Expenditure</b>			
<b>New Zealand Defence Force - Capital Expenditure PLA (M22)</b> This appropriation is limited to the purchase or development of assets by and for the use of the New Zealand Defence Force, as authorised by section 24(1) of the Public Finance Act 1989.	431,974	431,974	726,090
<b>Total Departmental Capital Expenditure</b>	431,974	431,974	726,090

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Non-Departmental Output Expenses</b>			
<b>Development and Maintenance of Services Cemeteries (M75)</b> This appropriation is limited to the development and maintenance of Services Cemeteries.	746	746	746
<b>Support for Veterans and Their Families (M75)</b> This appropriation is limited to providing for the support of veterans and their families. This includes the provision of counselling for veterans' families, the reimbursement of out of pocket expenses for veterans' children with specified conditions; additional support for veterans to facilitate them remaining in their own homes for as long as possible; additional support to facilitate veterans' rehabilitation; support for the surviving partner after the death of the veteran and for the provision of grants to Non-Government Organisations for the support of veterans and their families.	1,177	1,177	1,027
<b>Total Non-Departmental Output Expenses</b>	1,923	1,923	1,773
<b>Benefits or Related Expenses</b>			
<b>Medical Treatment (M75)</b> 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.	18,014	18,014	14,640
<b>Special Annuities (M75)</b> This appropriation is limited to paying annuities authorised by Cabinet to recognise a special contribution by the recipient to New Zealand society.	44	44	37
<b>War Disablement Pensions (M75)</b> 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.	122,362	122,362	118,892
<b>Total Benefits or Related Expenses</b>	140,420	140,420	133,569
<b>Non-Departmental Other Expenses</b>			
<b>Debt Write-Down for Benefits and Other Unrequited Expenses (M75)</b> This appropriation is limited to the write-down of Crown debtors administered by the New Zealand Defence Force due to the requirement to comply with Crown accounting policies and generally accepted accounting principles.	250	250	250
<b>Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)</b> 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.	994	994	1,100
<b>Fair Value Write Down on Veteran Trust Loans and Thirty-Year Endowment (M75)</b> This appropriation is limited to providing for the fair value write down on the Veteran Trust loans and the thirty-year endowment to the Vietnam Veterans and their Families Trust.	-	-	203
<b>Forgiveness of Interest on Veteran Trusts' Loans (M75)</b> This appropriation is limited to the forgiveness of interest on Crown loans to Montecillo and Rannerdale Trusts.	2,039	2,039	-
<b>Total Non-Departmental Other Expenses</b>	3,283	3,283	1,553

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Advice to the Government MCA (M22)</b>			<b>10,765</b>
The overarching purpose of this appropriation is to support Ministers in discharging their portfolio responsibilities.			
<i>Departmental Output Expenses</i>			
<i>Policy Advice</i>			5,163
This category is limited to the provision of advice (including second opinion advice and policy advice led by other agencies) to support decision-making by Ministers on Government policy matters relating to defence and the NZDF.			
<i>Situational Awareness</i>			3,698
This category is limited to the provision of effective military intelligence services to the Government in support of decision-making for the defence and security of New Zealand.			
<i>Supporting Ministers</i>			1,904
This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities.			
<b>Operations Contributing to New Zealand's Security, Stability and Interests MCA (M22)</b>			<b>27,383</b>
The overarching purpose of this appropriation is the employment of New Zealand's Armed Forces overseas at the Government's direction.			
<i>Departmental Output Expenses</i>			
<i>Military Operations in Support of a Rules-Based International Order</i>			23,276
This category is limited to the costs of generating operational military capabilities and the employment of the New Zealand Armed Forces for the conduct of operations, as directed by the Government.			
<i>Military Operations that Contribute to Regional Security</i>			4,107
This category is limited to the costs of providing specialised support to all-of-government efforts to maintain security and stability in New Zealand's immediate neighbourhood including responses to events that impact on the safety and wellbeing of regional populations, as directed by the Government.			
<b>Policy Advice And Other Services For Veterans MCA (M75)</b>			<b>9,232</b>
The overarching purpose of this appropriation is to provide policy advice and other support to Ministers in discharging their policy decision-making and other portfolio responsibilities, and the provision of services and payments to veterans.			
<i>Departmental Output Expenses</i>			
<i>Administration Services</i>			2,720
This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, the provision of administration services to relevant boards and committees and the administration of contracts for service for maintenance and development work carried out in Service Cemeteries.			
<i>Policy Advice</i>			220
This category is limited to the provision of policy advice (including second opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to Veterans' Affairs.			
<i>Services and Payments to Veterans</i>			6,292
This category is limited to the assessment, review and payment of entitlements and benefits (War Disablement Pensions and related concessions, and allowances and Surviving Spouse Pensions), the assessment and review of entitlement for burial in Service Cemeteries, the installation of ex-service memorials for eligible veterans, and the provision of case management for veterans and their families.			

Titles and Scopes of Appropriations by Appropriation Type	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Multi-Category Expenses and Capital Expenditure - cont'd</b>			
<b>Protection of New Zealand and New Zealanders MCA (M22)</b>	-	-	<b>379,729</b>
The overarching purpose of this appropriation is to protect New Zealand's sovereignty and provide security and other services for New Zealanders.			
<i>Departmental Output Expenses</i>			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i>	-	-	59,049
This category is limited to the costs of specialist military capabilities and Defence Force resources provided to the civil power in an emergency and for urgent work of national importance.			
<i>Defence International Engagement</i>	-	-	94,669
This category is limited to the provision of services and utility of the Defence Force to support foreign policy objectives that strengthen security and avert conflict.			
<i>Defence Support to the Community</i>	-	-	45,027
This category is limited to the costs of providing Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i>	-	-	32,180
This category is limited to the costs of Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.			
<i>Resource and Border Protection Operations</i>	-	-	148,804
This category is limited to the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	-	-	<b>427,109</b>
<b>Total Annual and Permanent Appropriations</b>	<b>2,874,457</b>	<b>2,855,189</b>	<b>3,233,032</b>

## Capital Injection Authorisations

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
New Zealand Defence Force - Capital Injection (M22)	15,817	1,629	20,100



# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Defence Mid Point Rebalancing Review	Navy Capabilities Prepared for Joint Operations and Other Tasks		8,337	6,693	23,507	23,507
	Army Capabilities Prepared for Joint Operations and Other Tasks		12,273	17,952	27,868	27,868
	Air Force Capabilities Prepared for Joint Operations and Other Tasks		60,521	46,840	91,376	91,376
	Resource and Border Protection Operations		7,293	8,278	10,136	10,136
	Defence International Engagement		6,892	7,786	9,578	9,578
	Assistance to the Civil Power and Provision of a Public Service in Emergency Situations		1,749	2,564	2,431	2,431
	Military Assistance to Civil Authorities in Non-Emergency Situations		3,866	3,906	5,373	5,373
	Total		-	100,931	94,019	170,269

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2009/10	2010/11	2011/12	2012/13	2013/14		2014/15			2015/16	2016/17	2017/18
	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
<b>Appropriations</b>												
Output Expenses	2,184,894	2,203,278	2,154,512	2,205,162	2,298,780	2,279,512	1,942,938	1,773	1,944,711	1,973,678	1,958,802	1,957,281
Benefits or Related Expenses	158,535	156,158	148,504	140,510	140,420	140,420	N/A	133,569	133,569	135,011	129,309	123,412
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	73,410	2,366	2,459	735	3,283	3,283	-	1,553	1,553	1,553	1,553	1,553
Capital Expenditure	326,752	260,791	268,041	232,535	431,974	431,974	726,090	-	726,090	451,731	498,721	521,205
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	-	-	427,109	-	427,109	437,950	429,046	428,958
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	<b>2,743,591</b>	<b>2,622,593</b>	<b>2,573,516</b>	<b>2,578,942</b>	<b>2,874,457</b>	<b>2,855,189</b>	<b>3,096,137</b>	<b>136,895</b>	<b>3,233,032</b>	<b>2,999,923</b>	<b>3,017,431</b>	<b>3,032,409</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered.

## Adjustments to the Summary of Financial Activity Table due to Vote Restructuring

Following on from the Defence Mid-Point Rebalancing Review, the Vote Defence Force output structure has been reviewed. The new structure has resulted in a move from the current input-centric approach to an effects-based output model and strategy-focused framework.

The new structure has seen the creation of new appropriations, including the creation of four new Multi-Category Expenses. With the exception of the Policy Advice and Other Services for Veterans MCA, these appropriations are not created by simple transfers from old appropriations. Instead, the old appropriations have been disassembled and spread over one or more new appropriations. This has included the introduction of a new cost allocation methodology to allocate input costs to output expenses. For this reason, it was not practicable to restate information in the Summary of Financial Activity table as this would necessitate significant resources to be dedicated to recasting historical information through a new cost allocation methodology.

### 1.3 - Analysis of Significant Trends

#### Departmental Output Expenses

The major movements in annual Output Expense appropriations between 2009/10 and 2013/14 have arisen due to:

- expense transfers and transfers of underspends between years
- technical budget changes such as changes in capital charge and third party revenue adjustments
- changes to activity levels for Operationally Deployed Forces
- new funding in Budget 2009 (\$34 million) and Budget 2010 (\$35 million).

In 2014/15, a significant portion of Departmental Output Expenses have been transferred to Multi-Category Expenses and Capital Expenditure. Additionally, new funding for the Defence Mid-Point Rebalancing Review commences.

#### Other Expenses

The Other Expenses appropriations shown in the trends table between 2009/10 and 2014/15 disclose the annual expenses for:

- disposal costs, expensing, and adjusting asset values of items included in the NZDF Statement of Financial Position
- debt write-down for Benefits or Other Unrequited Expenses
- Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans.

The major movement in annual Other Expenses was in 2009/10 when the appropriation was increased by \$90 million for adjusting asset values as at 30 June 2010.

## **Capital Expenditure**

The Capital Expenditure appropriations shown in the trends table between 2009/10 and 2014/15 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 heavy operational vehicles, and pilot training capabilities.

## **Benefits or Related Expenses**

The major movements in annual Benefits or Related Expenses appropriations between 2009/10 and 2014/15 are due primarily to a decline in the number of veterans receiving a War Disablement Pension.

## 1.4 - Reconciliation of Changes in Appropriation Structure

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Airborne Surveillance and Response Forces	203,674	Transferred to Air Force Capabilities Prepared for Joint Operations	(174,738)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(28,936)		-	-
		Transferred from Fixed Wing Transport Forces	209,990	Air Force Capabilities Prepared for Joint Operations and Other Tasks	685,533	743,948
		Transferred from Naval Helicopter Forces	74,305			
		Transferred from Rotary Wing Transport Forces	226,500			
		Transferred from Airborne Surveillance and Response Forces	174,738			
		Transferred from Land Combat Forces	321,510	Army Capabilities Prepared for Joint Operations and Other Tasks	721,619	724,527
		Transferred from Land Combat Service Support Forces	160,886			
		Transferred from Land Combat Support Forces	203,043			
		Transferred from Special Operations Forces	36,180			
Fixed Wing Transport Forces	263,425	Transferred to Air Force Capabilities Prepared for Joint Operations	(209,990)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(53,435)		-	-
Land Combat Forces	349,710	Transferred to Army Capabilities Prepared for Joint Operations	(321,510)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(28,200)		-	-
Land Combat Service Support Forces	174,997	Transferred to Army Capabilities Prepared for Joint Operations	(160,886)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(14,111)		-	-

		Old Structure		New Structure		
2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Land Combat Support Forces	220,852	Transferred to Army Capabilities Prepared for Joint Operations	(203,043)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(17,809)		-	-
Littoral Warfare Support Forces	31,947	Transferred to Navy Capabilities Prepared for Joint Operations	(31,704)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(243)		-	-
Miscellaneous Support Activities MCOA: Support to Mutual Assistance Programme	5,283	Transferred to Protection of New Zealand and New Zealanders MCA	(29,393)		-	-
Miscellaneous Support Activities MCOA: Support to New Zealand Cadet Forces	3,808			-	-	
Miscellaneous Support Activities MCOA: Support to Service Military Museums	7,994			-	-	
Miscellaneous Support Activities MCOA: Support to Youth Development	12,308			-	-	
		Transferred from Littoral Warfare Support Forces	31,704			
		Transferred from Naval Combat Forces	326,498			
		Transferred from Naval Support Forces	109,881	Navy Capabilities Prepared for Joint Operations and Other Tasks	468,083	474,463
Naval Combat Forces	336,886	Transferred to Navy Capabilities Prepared for Joint Operations	(326,498)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(10,388)		-	-
Naval Helicopter Forces	83,560	Transferred to Air Force Capabilities Prepared for Joint Operations	(74,305)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(9,255)		-	-
Naval Patrol Forces	117,011	Transferred to Protection of New Zealand and New Zealanders MCA	(117,011)		-	-

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Naval Support Forces	112,693	Transferred to Navy Capabilities Prepared for Joint Operations	(109,881)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(2,812)		-	-
Policy Advice and Related Outputs MCOA: Policy Advice	2,049	Transferred to Advice to the Government MCA	(9,805)		-	-
Policy Advice and Related Outputs MCOA: Ministerial Services	1,305	Transferred to Protection of New Zealand and New Zealanders MCA	(5,119)		-	-
Policy Advice and Related Outputs MCOA: Strategic Military Intelligence	11,570					
Rotary Wing Transport Forces	229,523	Transferred to Air Force Capabilities Prepared for Joint Operations	(226,500)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(3,023)		-	-
Special Operations Forces	89,675	Transferred to Army Capabilities Prepared for Joint Operations	(36,180)		-	-
		Transferred to Protection of New Zealand and New Zealanders MCA	(53,495)		-	-
		Transferred from Policy Advice and Related Outputs MCOA	9,805	Advice to the Government MCA: Policy Advice	4,728	5,163
				Advice to the Government MCA: Situational Awareness	3,793	3,698
				Advice to the Government MCA: Supporting Ministers	1,284	1,904

2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Operationally Deployed Forces Annual	27,170	Transferred from Operationally Deployed Forces Annual		Operations Contributing to New Zealand's Security, Stability and Interests MCA: Military Operations in Support of a Rules-Based International Order	23,095	23,276
				Operations Contributing to New Zealand's Security, Stability and Interests MCA: Military Operations that Contribute to Regional Security	4,075	4,107
		Transferred from Fixed Wing Transport Forces	53,435	Protection of New Zealand and New Zealanders MCA: Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	57,188	59,049
		Transferred from Naval Helicopter Forces	9,255	Protection of New Zealand and New Zealanders MCA: Defence International Engagement	91,885	94,669
		Transferred from Rotary Wing Transport Forces	3,023	Protection of New Zealand and New Zealanders MCA: Defence Support to the Community	49,687	45,027
		Transferred from Airborne Surveillance and Response Forces	28,936	Protection of New Zealand and New Zealanders MCA: Military Assistance to Civil Authorities in Non-Emergency Situations	28,083	32,180
		Transferred from Land Combat Forces	28,200	Protection of New Zealand and New Zealanders MCA: Resource and Border Protection Operations	146,387	148,804
		Transferred from Land Combat Service Support Forces	14,111			
		Transferred from Land Combat Support Forces	17,809			
		Transferred from Special Operations Forces	53,495			
		Transferred from Littoral Warfare Support Forces	243			
		Transferred from Naval Combat Forces	10,388			
		Transferred from Naval Support Forces	2,812			
		Transferred from Naval Patrol Forces	117,011			
		Transferred from Miscellaneous Support Activities MCOA	29,393			
	Transferred from Policy Advice and Related Outputs MCOA	5,119				



2013/14 Appropriations in the 2013/14 Structure	2013/14 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2013/14 Appropriations in the 2014/15 Structure	2013/14 (Restated) \$000	2014/15 \$000
Policy Advice and Other Services for Veterans MCOA	11,417	From Policy Advice and Other Services for Veterans MCA		To Policy Advice and Other Services for Veterans MCA	11,417	9,232
Total changes in Appropriations	2,296,857		0		2,296,857	2,370,047

Table 1.4 restates 2013/14 appropriations in a new 2014/15 structure for comparative purposes for the 2014/15 budget. The new 2014/15 structure, created in a move from the current input-centric approach to an effects-based output model and strategy-focused framework, has created four new Multi-Category Expense appropriations and three new Departmental Output Expense appropriations.

With the introduction of the new structure from 2014/15 all 2013/14 departmental output expense appropriations cease to exist, and, with the exception of the Policy Advice and Other Services to Veterans MCOA (which transfers entirely to a Multi-Category Expense), have been reallocated to one or more new appropriations. This has necessitated NZDF to introduce a new cost allocation methodology to allocate input costs to output expense. As a result of the new cost allocation methodology, it is not practical to demonstrate every movement from the old appropriations to the new - largely due to the allocation of support costs. Instead, the above table represents the material movements and the intent of the change in output structure.

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

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

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

##### *Scope of Appropriation*

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

##### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	743,948
Revenue from the Crown	-	-	741,974
Revenue from Others	-	-	1,974

##### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Airborne Surveillance and Response Forces (part)	174,738	174,582	-
Vote Defence Force: Departmental Output Expense: Fixed Wing Transport Forces (part)	209,990	209,747	-
Vote Defence Force: Departmental Output Expense: Naval Helicopter Forces (part)	74,305	74,216	-
Vote Defence Force: Departmental Output Expense: Rotary Wing Transport Forces (part)	226,500	226,113	-
Total	685,533	684,658	743,948

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

This appropriation is intended to deliver the following:

- a surveillance and response capability prepared to be employed on sea control operations
- a surveillance capability prepared for employment on surveillance and response tasks for maritime interdiction operations
- a naval air combat capability for embarkation in surface ships
- a surveillance and response capability prepared to support special operations forces in the land and maritime environments
- a strategic airlift capability prepared to deploy, sustain and recover deployed forces
- a tactical airlift capability prepared for personnel movement and cargo operations within a designated area of operations, and
- a tactical air mobility capability prepared to support land operations, special operations forces, aeromedical evacuation and combat search and recovery operations.

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provide naval operations capabilities prepared for naval air operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide air surveillance and response capabilities prepared for sea control and surveillance operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide security and stability capabilities prepared for tactical airlift	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide security and stability capabilities prepared for tactical air mobility	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide projection and sustainment capabilities prepared for strategic airlift	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Defence Mid Point Rebalancing Review - Funding Track	2014/15	-	60,521	46,840	91,376	91,376

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force. In addition to being created by transfers from old outputs, additional funding has been appropriated for the Defence Mid-point Rebalancing Review as shown in the above table.

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

### *Scope of Appropriation*

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

### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	724,527
Revenue from the Crown	-	-	723,644
Revenue from Others	-	-	883

### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Land Combat Forces (part)	321,510	320,602	-
Vote Defence Force: Departmental Output Expense: Land Combat Service Support Forces (part)	160,886	160,432	-
Vote Defence Force: Departmental Output Expense: Land Combat Support Forces (part)	203,043	202,471	-
Vote Defence Force: Departmental Output Expense: Special Operations Forces (part)	36,180	36,070	-
Total	721,619	719,575	724,527

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

This appropriation is intended to deliver the following:

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

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Provide land combat capabilities prepared for special operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide land combat capabilities prepared for combined arms operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Provide land combat capabilities prepared for regional stabilisation operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Defence Mid Point Rebalancing Review - Funding Track	2014/15	-	12,273	17,952	27,868	27,868

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force. In addition to being created by transfers from old outputs, additional funding has been appropriated for the Defence Mid-point Rebalancing Review as shown in the above table.

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

### *Scope of Appropriation*

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

### *Expenses and Revenue*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	474,463
Revenue from the Crown	-	-	473,140
Revenue from Others	-	-	1,323

### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Littoral Warfare Support Forces (part)	31,704	31,642	-
Vote Defence Force: Departmental Output Expense: Naval Combat Forces (part)	326,498	326,136	-
Vote Defence Force: Departmental Output Expense: Naval Support Forces (part)	109,881	109,678	-
Total	468,083	467,456	474,463

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

This appropriation is intended to deliver the following:

- a naval combat capability with ships and organic aircraft prepared to conduct sea-control operations within a coalition naval task group, protect military and commercial shipping and related operations to enforce international law and prohibit the movement of specified items, people or vessels
- amphibious sealift capabilities prepared to project forces from sea and sustain deployed forces
- strategic replenishment capability prepared to project and sustain deployed maritime, land and air forces
- a deployable maritime capability prepared to conduct operations that safeguards access to and the use of harbours, inshore waters and littoral zones in New Zealand and wherever NZDF forces are required to operate
- maritime capabilities, available for employment as a single ship or multi-ship international deployment in support of scheduled defence international engagement initiatives, and
- a shore-based capability able to implement naval cooperation and guidance for shipping and provide for the naval supervision of shipping in a crisis.

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Naval combat capabilities prepared for sea control operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Naval combat capabilities prepared for maritime interdiction operations	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Projection and sustainment capabilities prepared for amphibious sealift	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Projection and sustainment capabilities prepared for replenishment	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Projection and sustainment capabilities prepared for littoral warfare support	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand
Maritime trade operations capabilities prepared for naval guidance and supervision of shipping	New measure	New measure	Achieve and maintain the levels of readiness directed by the Government of New Zealand

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Defence Mid-point Rebalancing Review - Funding Track	2014/15	-	8,337	6,693	23,507	23,507

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force. In addition to being created by transfers from old outputs, additional funding has been appropriated for the Defence Mid-point Rebalancing Review as shown in the above table.

## 2.3 - Departmental Capital Expenditure and Capital Injections

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

#### *Scope of Appropriation*

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

#### *Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	419,457	419,457	709,822
Intangibles	12,517	12,517	16,268
Other	-	-	-
<b>Total Appropriation</b>	<b>431,974</b>	<b>431,974</b>	<b>726,090</b>

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

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

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year end 30 June 2015 to be presented to the House.

#### *Reasons for Change in Appropriation*

This appropriation will increase by \$294.116 million to \$726.090 million for 2014/15 to reflect the spending profile on major projects with the Defence Capability Plan such as pilot training capabilities, replacement maritime helicopters, and an upgrade to the ANZAC frigate systems.



## *Capital Injections and Movements in Departmental Net Assets*

### **New Zealand Defence Force**

Details of Net Asset Schedule	2013/14 Estimated Actual \$000	2014/15 Projected \$000	Explanation of Projected Movements in 2014/15
Opening Balance	5,737,210	5,442,268	
Capital Injections	1,629	20,100	Projected capital injections for 2014/15 include \$950,000 to recognise an operating expenditure to capital expenditure swap for capitalised project costs and \$19.150 million for Project Protector Remediation.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(3,138)	-	
Other Movements	(290,295)	-	The 2013/14 Estimated Actuals include a revaluation of Property, Plant and Equipment.
<b>Closing Balance</b>	<b>5,445,406</b>	<b>5,462,368</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

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

##### *Scope of Appropriation*

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

##### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	746	746	746

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

This appropriation is intended to develop and maintain Service Cemeteries.

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Works carried out under contract will comply with agreed contract standards	90%	90%	90%
Service 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

##### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister in a report to be appended to the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

##### *Service Providers*

There are approximately 185 annual maintenance grant payments made to local councils across New Zealand for each Services Cemetery. Works grants are also made to a few dozen contractors around New Zealand for maintenance works.

### *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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	1,177	1,177	1,027

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

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

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
The services provided will be to the satisfaction of the veteran and/or the veteran's family	Meet	Met	Meet
Works carried out under contract will comply with agreed contract standards	95%	95%	95%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister in a report to be appended to the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

### *Service Providers*

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

### *Conditions on Use of Appropriation*

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

## 3.2 - Non-Departmental Benefits or Related Expenses

### 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	18,014	18,014	14,640

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

This appropriation is intended to achieve the payment of authorised medical treatment costs for eligible veterans.

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(ii) of the Public Finance Amendment Act 2013 as performance information is unlikely to be informative.

#### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Government Response to Law Commission's Report on War Pensions Act 1954	2015/16	-	-	19	35	47

#### *Reasons for Change in Appropriation*

This appropriation will decrease by \$3.374 million to \$14.640 million for 2014/15 due to the downward trend in the number of veterans exceeding the pace of cost increases for their medical care.

## 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	44	44	37

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

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

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(ii) of the Public Finance Amendment Act 2013 as performance information is unlikely to be informative.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Granting of Special Annuity to W.T.M Framhein	2012/13	14	15	15	15	15
Small increase to Special Annuity Appropriation	2012/13	3	3	3	3	3

### *Conditions on Use of Appropriation*

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

## 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*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	122,362	122,362	118,892

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

This appropriation is intended to achieve the payment of war disablement pensions under the War Pensions Act 1954 and War Pensions Regulations 1956, and the provision of interest concessions on grandparented loans under the Rehabilitation Act 1941.

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(ii) of the Public Finance Amendment Act 2013 as performance information is unlikely to be informative.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Government Response to the Law Commission's Report on the War Pensions Act 1954	2012/13	5,811	12,533	17,091	15,945	14,834
Funding of Additional Deployments	2012/13	957	1,104	1,352	1,352	1,352
War Pension Coverage for Deployments to Syria	2012/13	26	26	27	27	27
Tax Reform Package for Budget 2010	2010/11	3,425	0	0	0	0
Increase in payment for gallantry allowances	2010/11	107	97	0	0	0

### *Reasons for Change in Appropriation*

This appropriation will decrease by \$3.462 million to \$118.892 million for 2014/15 due to a downward trend in the forecast number of veterans.

### 3.4 - Non-Departmental Other Expenses

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

##### *Scope of Appropriation*

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

##### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	250	250	250

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

This appropriation is intended to achieve the write-down of Crown debtors by the NZDF.

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(ii) of the Public Finance Amendment Act 2013 as performance information is unlikely to be informative.

#### Ex-Gratia Payments and Comprehensive Medical Assessments for Vietnam Veterans (M75)

##### *Scope of Appropriation*

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

##### *Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	994	994	1,100

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

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

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(iii) of the Public Finance Amendment Act 2013 as the amount for this annual appropriation is less than \$5 million.

*Conditions on Use of Appropriation*

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

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

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

*Expenses*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	203

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the fair value write down on the thirty-year endowment to the Vietnam Veterans and their Families Trust.

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

This appropriation is exempt from performance reporting due to an exemption under 15D(2)(b)(ii) of the Public Finance Amendment Act 2013 as performance information is unlikely to be informative.

*Reasons for Change in Appropriation*

This is a new appropriation established for 2014/15.



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

### Multi-Category Expenses and Capital Expenditure

#### Advice to the Government (M22)

##### *Overarching Purpose Statement*

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

##### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Policy Advice*

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

##### *Situational Awareness*

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

##### *Supporting Ministers*

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

##### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	10,765
<b>Departmental Output Expenses</b>			
Policy Advice	-	-	5,163
Situational Awareness	-	-	3,698
Supporting Ministers	-	-	1,904
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	10,765
Policy Advice	-	-	5,163
Situational Awareness	-	-	3,698
Supporting Ministers	-	-	1,904
<b>Revenue from Others</b>	-	-	-
Policy Advice	-	-	-
Situational Awareness	-	-	-
Supporting Ministers	-	-	-

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Policy Advice and Related Outputs MCOA: Policy Advice	2,049	2,044	-
Vote Defence Force: Departmental Output Expense: Policy Advice and Related Outputs MCOA: Ministerial Services	1,305	1,301	
Vote Defence Force: Departmental Output Expense: Policy Advice and Related Outputs MCOA: Strategic Military Intelligence (part)	6,451	6,279	
<b>Total</b>	<b>9,805</b>	<b>9,624</b>	<b>10,765</b>

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

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

### How Performance will be Assessed for this Appropriation

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Advice to the Government</b>			
The supply of high quality individual products, as shown in the tables below.	Meet	Met	Meet

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Departmental Output Expenses</b>			
<i>Policy Advice</i>			
This category is intended to achieve the provision of accurate, timely and responsive policy advice			
Ensure that the provision of advice provided to the Government and policy advice lead by other agencies, is accurate, timely and responsive	New measure	New measure	The provision of policy advice to the Government and contribution to policy advice led by other agencies is accurate, timely and offers practical and cost-effective approaches to fulfil the Government's defence priorities
The satisfaction of the Minister of Defence with the policy advice service, as per the common satisfaction survey	At least 90%	At least 90%	At least 90%

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
Technical quality of policy advice papers assessed by a survey with a methodical robustness of 90%. (The higher the robustness score, the stronger the methodical quality of the completed assessment)	At least an average of 70%	At least an average of 70%	At least an average of 70%
The total cost per hour of producing policy advice outputs	At most \$150	At most \$150	At most \$150
<i>Situational Awareness</i>			
This category is intended to achieve the provision of timely, accurate and high quality intelligence support			
Ensure that the national intelligence community is provided with timely, accurate and high quality intelligence support and advice on matters of foreign defence interest in accordance with the Government's priorities to support the NZDF, policy and wider security operations	New measure	New measure	The timely provision of high-quality reports that inform the Government of matters of foreign defence interest and support the Government's decision-making processes
<i>Supporting Ministers</i>			
This category is intended to achieve the provision of quality and timely support to Ministers			
Ensure that Ministers are provided with quality and timely advice and support that enables them to lead the Defence Force and Veterans' Affairs New Zealand	New measure	New measure	The timely provision of accurate and high-quality advice that supports Ministers of Defence and Veterans' Affairs portfolios and meets legislative obligations

### *End of Year Performance Reporting*

Performance will be reported by the Chief of Defence in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force.

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

### Overarching Purpose Statement

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

### Scope of Appropriation

#### Departmental Output Expenses

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

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

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

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

### Expenses, Revenue and Capital Expenditure

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	27,383
<b>Departmental Output Expenses</b>			
Military Operations in Support of a Rules-Based International Order	-	-	23,276
Military Operations that Contribute to Regional Security	-	-	4,107
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	27,074
Military Operations in Support of a Rules-Based International Order	-	-	23,012
Military Operations that Contribute to Regional Security	-	-	4,062
<b>Revenue from Others</b>	-	-	309
Military Operations in Support of a Rules-Based International Order	-	-	264
Military Operations that Contribute to Regional Security	-	-	45

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Operationally Deployed Forces Annual	27,170	13,170	-
<b>Total</b>	<b>27,170</b>	<b>13,170</b>	<b>27,383</b>

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

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

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Operations Contributing to New Zealand's Security, Stability and Interests MCA</b>			
The conduct of military operations and other tasks that support the Government's strategic interests	New measure	New measure	Meet
Enhance all-of-government capacity to respond to regional crises	New measure	New measure	Meet

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Operations Contributing to New Zealand's Security, Stability and Interests</b>			
<b>Departmental Output Expenses</b>			
<i>Military Operations that Contribute to Regional Security</i>			
This category is intended to achieve the provision of operations that contribute to New Zealand's security, stability and interests			
Contribute to Government's response capacity to regional disasters and major crises	New measure	New measure	A Joint Task Force comprising relevant Force Elements and military capabilities, available at the agreed notice to move and assist with regional Humanitarian Assistance and Disaster Relief missions when directed
Support all-of-government efforts to secure the safety of New Zealand citizens and approved nationals and assist with the evacuation of persons from high-risk areas in times of crises	New measure	New measure	Strategic airlift and sealift capabilities available to assist with regional non-combatant evacuation operations when not deployed on military operations elsewhere
Support all-of-government efforts to assist a host nation restore law and order and provide for the immediate humanitarian needs of the population	New measure	New measure	A specialised, high-readiness Task Group, with integral airlift and/or sealift capabilities available to act independently or with regional security partners to assist regional nations restore law and order and provide immediate aid to the population

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Departmental Output Expenses - cont'd</b>			
<i>Military Operations in Support of a Rules-Based International Order</i>			
This category is intended to achieve the provision of military operations to support a rules-based international order			
Performance will be assessed on the maintenance of the Government's military commitments to the missions shown below (as at 1 April 2014):			
Contribute to United Nations Missions, as listed	New measure	New measure	UNTSO (Middle East) [OP SCORIA]
	New measure	New measure	UNMIS [OP SUDDEN] (Sudan)
	New measure	New measure	UNPOS [MILAD] (Kenya/Somalia)
	New measure	New measure	UNCMAC (Republic of Korea) [OP MONITOR]
Lead and contribute to regional contingency military operations, as listed	New measure	New measure	No mandated operations
Contribute military forces for contingencies in the rest of the world, as listed	New measure	New measure	MFO (Sinai) [OP FARAD]
	New measure	New measure	Intelligence Support Group (Afghanistan)
	New measure	New measure	OP ARIKI (Afghanistan) [OP KEA]
	New measure	New measure	OP ARIKI (Tampa, Florida, USA) [OP SPEAK]
	New measure	New measure	OP ARIKI (Afghanistan) [OP AFFIRM]
	New measure	New measure	OP TROY (Middle East)
	New measure	New measure	OP TIKI VII (Gulf of Aden)
	New measure	New measure	OP TIKI VIII (Gulf of Aden)

### *End of Year Performance Reporting*

Performance will be reported by the Chief of Defence in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force.

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

### *Overarching Purpose Statement*

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

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Administration Services*

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

##### *Policy Advice*

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

##### *Services and Payments to Veterans*

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

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	9,232
<b>Departmental Output Expenses</b>			
Administration Services	-	-	2,720
Policy Advice	-	-	220
Services and Payments to Veterans	-	-	6,292
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	8,755
Administration Services	-	-	2,720
Policy Advice	-	-	220
Services and Payments to Veterans	-	-	5,815
<b>Revenue from Others</b>	-	-	477
Administration Services	-	-	-
Policy Advice	-	-	-
Services and Payments to Veterans	-	-	477

### Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Policy Advice and other Services for Veterans MCOA: Administration Services	4,905	4,905	2,720
Vote Defence Force: Departmental Output Expense: Policy Advice and other Services for Veterans MCOA: Policy Advice	220	220	220
Vote Defence Force: Departmental Output Expense: Policy Advice and other Services for Veterans MCOA: Services and Payments to Veterans	6,292	6,292	6,292
<b>Total</b>	<b>11,417</b>	<b>11,417</b>	<b>9,232</b>

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

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

### How Performance will be Assessed for this Appropriation

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice and Other Services for Veterans MCA</b>			
The degree of satisfaction expressed by veterans requesting assistance - in accordance with their annual programmes	New measure	New measure	Meet
Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the resources available	New measure	New measure	Meet

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

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Policy Advice And Other Services For Veterans MCA</b>			
<b>Departmental Output Expense</b>			
<i>Administration Services</i>			
This category is intended to achieve the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities, the coordination of commemorations, and the provision of administration services to relevant boards and committees and contracts for work carried out in Service Cemeteries.			



	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<i>Provide Ministerial Servicing and Support:</i>			
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%
<i>Provide Administration for War Pensions Appeal Board and War Pensions Advisory Board:</i>			
Arrangements and actions meet Boards' requirements	Meet	Meet	Meet
Actions defined by Boards will be completed within 20 working days after decisions are made, unless otherwise specified	95%	95%	95%
<i>Management of Rehabilitation Loan Scheme:</i>			
Make payments within timeframes specified	100%	100%	100%
<i>Administration of maintenance agreements and contracts for service relating to the maintenance and development of Services Cemeteries:</i>			
Contracts to be current, legally correct and clearly specify maintenance and development requirements	Meet	Meet	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	Meet	Meet
Services Cemeteries will have maintenance agreements specifying the maintenance standards in place	100%	100%	100%
<i>Quality Audits of Services Cemeteries:</i>			
Specifications outlined in contracts for service have been met	100%	100%	100%
<i>Coordinate New Zealand's participation in the commemoration of significant military anniversaries:</i>			
Participation to be delivered in accordance with agreed parameters and budget	Meet	Meet	Meet
<i>Policy Advice</i>			
This category is intended to achieve the provision of policy advice to the Minister to support decision making by the Minister on government policy matters relating to Veterans' Affairs.			
Replies to requests within 20 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%	95%	95%
Policy papers will meet defined characteristics of quality advice (purpose, logic, accuracy, options consultation, practicality and presentation)	Meet	Meet	Meet

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Departmental Output Expense - cont'd</b>			
<i>Services and Payments to Veterans</i>			
This category is intended to achieve the provision of assessment and review to War Disablement Pensions.			
Assessments and Reviews will be conducted against extant policy	Meet	Meet	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%
<i>Provide Ex-Service Memorial Plaques and Headstones for Eligible Veterans:</i>			
Ex-Service memorials will be factually correct, meet technical specifications as contracted and be correctly installed	99.5%	99.5%	99.5%
Decisions on eligibility for ex-service memorials will be made within legislative parameters	Meet	Meet	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%
<i>Provide Case Management:</i>			
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%	85%
<i>Deal with Enquiries:</i>			
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%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2015 to be presented to the House.

*Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Anniversary of Korean War Armistice	2013/14	500	-	-	-	-
2015 Anniversary of Gallipoli	2013/14	280	450	-	-	-
Government Response to Law Commission's Report on War Pensions Act 1954	2012/13	592	337	570	487	-
Financial Support for World War Two Veterans to Attend Military Commemorations	2011/12	1,600	-	-	-	-

*Reasons for Change in Appropriation*

This appropriation will decrease by \$2.185 million to \$9.232 million for 2014/15 due to a decrease in Veteran's overseas commemoration funding, the Government Response to Law Commission's Report on War Pensions Act 1954, and the end of funding for the anniversary of the Korean War Armistice, offset by increased funding for the 2015 anniversary of Gallipoli.

*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

## Protection of New Zealand and New Zealanders (M22)

### *Overarching Purpose Statement*

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

### *Scope of Appropriation*

#### **Departmental Output Expenses**

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

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

##### *Defence International Engagement*

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

##### *Defence Support to the Community*

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

##### *Military Assistance to Civil Authorities in Non-Emergency Situations*

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

##### *Resource and Border Protection Operations*

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

### *Expenses, Revenue and Capital Expenditure*

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Total Appropriation</b>	-	-	379,729
<b>Departmental Output Expenses</b>			
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	-	59,049
Defence International Engagement	-	-	94,669
Defence Support to the Community	-	-	45,027
Military Assistance to Civil Authorities in Non-Emergency Situations	-	-	32,180
Resource and Border Protection Operations	-	-	148,804

	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	-	-	368,178
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	-	58,987
Defence International Engagement	-	-	92,026
Defence Support to the Community	-	-	36,728
Military Assistance to Civil Authorities in Non-Emergency Situations	-	-	32,180
Resource and Border Protection Operations	-	-	148,257
<b>Revenue from Others</b>	-	-	11,551
Assistance to the Civil Power and Provision of a Public Service in Emergency Situations	-	-	62
Defence International Engagement	-	-	2,643
Defence Support to the Community	-	-	8,299
Military Assistance to Civil Authorities in Non-Emergency Situations	-	-	-
Resource and Border Protection Operations	-	-	547

### *Comparators for Restructured Appropriation*

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Fixed Wing Transport Forces (part)	53,435	53,057	-
Vote Defence Force: Departmental Output Expense: Naval Helicopter Forces (part)	9,255	9,148	-
Vote Defence Force: Departmental Output Expense: Rotary Wing Transport Forces (part)	3,023	2,867	-
Vote Defence Force: Departmental Output Expense: Airborne Surveillance and Response Forces (part)	28,936	28,621	-
Vote Defence Force: Departmental Output Expense: Land Combat Forces (part)	28,200	28,298	-
Vote Defence Force: Departmental Output Expense: Land Combat Service Support Forces (part)	14,111	14,161	-
Vote Defence Force: Departmental Output Expense: Land Combat Support Forces (part)	17,809	17,871	-
Vote Defence Force: Departmental Output Expense: Special Operations Forces (part)	53,495	53,397	-
Vote Defence Force: Departmental Output Expense: Littoral Warfare Support Forces (part)	243	231	-
Vote Defence Force: Departmental Output Expense: Naval Combat Forces (part)	10,388	9,983	-
Vote Defence Force: Departmental Output Expense: Naval Support Forces (part)	2,812	2,724	-

Vote, Type and Title of Appropriation	2013/14		2014/15
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Vote Defence Force: Departmental Output Expense: Naval Patrol Forces (part)	117,011	116,742	-
Vote Defence Force: Departmental Output Expense: Miscellaneous Support Activities MCOA: Support to New Zealand Cadet Forces	3,808	3,799	-
Vote Defence Force: Departmental Output Expense: Miscellaneous Support Activities MCOA: Support to Service Military Museums	7,994	7,978	-
Vote Defence Force: Departmental Output Expense: Miscellaneous Support Activities MCOA: Support to Youth Development	12,308	12,279	-
Vote Defence Force: Departmental Output Expense: Miscellaneous Support Activities MCOA: Support to Mutual Assistance Programme	5,283	5,269	-
Vote Defence Force: Departmental Output Expense: Policy Advice and Related Outputs MCOA: Strategic Military Intelligence (part)	5,119	5,266	-
<b>Total</b>	<b>373,230</b>	<b>371,691</b>	<b>379,729</b>

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

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

### *How Performance will be Assessed for this Appropriation*

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<b>Protection of New Zealand and New Zealanders</b>			
The degree of satisfaction expressed by the authorities requesting assistance in accordance with their annual programmes.	Satisfy	Satisfied	Satisfy
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

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

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<b>Protection of New Zealand and New Zealanders</b>			
<b>Departmental Output Expenses</b>			
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations</i>			
This category is intended to achieve the contribution to all-of-government efforts that provide for public safety, protection of national infrastructure, emergency response and recovery operations in order to satisfy critical humanitarian needs.			
Conduct capability generation activities and inter-agency training to maintain the readiness of the national counter-terrorist capability.	New measure	New measure	Achieve the levels of operational capability and readiness as directed
Generate the necessary capabilities to deal with complex chemical, biological, radiological, explosives and improvised explosive devices and maintain the readiness of the national response capability in support of the NZ Police.	New measure	New measure	Achieve the levels of operational capability and readiness as directed
Assist the NZ Police maintain security when asymmetric incidents in the land and maritime environment threaten public safety or national interests.	New measure	New measure	The specialised Counter-Terrorist Group is able to respond to 100% of the NZ Police requests for assistance within the agreed notice to move
Assist the NZ Police maintain security when chemical, biological, radiological and explosives and improvised explosive device incidents threaten public safety or national interests.	New measure	New measure	The specialised Explosive Ordnance Disposal Squadron is able to respond to 100% of the NZ Police requests for assistance within the agreed notice to move
Provide specialised and complementary military capabilities to assist NZ Police law enforcement operations.	New measure	New measure	Subject to the availability of resources, the NZDF is able to meet 100% of requests to assist NZ Police operations
Maintain contingency forces at camps and bases with the capacity to assist the civil power deal with major disasters.	New measure	New measure	Contingency forces and specialised military capabilities are available to assist the civil power when not deployed on operations
Availability of specialised military capabilities to assist the civil power conduct search and rescue and recovery operations within New Zealand and the maritime search and rescue and regional rescue coordination centre areas.	New measure	New measure	Specialised military capabilities are available to assist the civil power within the agreed notice to move
Availability of specialised military capabilities to assist the civil power evacuate persons from high-risk environments in New Zealand.	New measure	New measure	Contingency plans to assist the civil power conduct the mass evacuation of persons from high-risk environments are in place
The NZDF has the capacity to assist NZ Fire Service and Rural Fire Authority when incidents exceed the capabilities of the local resources.	New measure	New measure	Provision of services to augment the capacity of the NZ Fire Service to deal with a wide range of incidents involving safety of life, protection of property and related actions to mitigate the effects of fire

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Assistance to the Civil Power and Provision of a Public Service in Emergency Situations - cont'd</i>			
Availability of specialised military capabilities to assist the civil power respond to a maritime disaster and mitigate the effects of degradation of the marine environment.	New measure	New measure	Contingency plans to assist the civil power mitigate the effects of a maritime disaster and degradation of the marine environment are in place
Availability of specialised military capabilities to conduct aeromedical evacuation and medical rescue at sea at the Government's direction.	New measure	New measure	Specialised military capabilities are available to assist the civil power within the agreed notice to move
The provision of specialised capabilities that augment the capacity of the NZ Police maintain law and order and public safety.	New measure	New measure	Subject to availability of resources, the NZDF is able to meet 100% of requests for specialised military capabilities to assist NZ Police operations
Assist the Department of Corrections to maintain the integrity of prisons when normal custodial arrangements fail.	New measure	New measure	The NZDF has contingency plans in place to mobilise the Armed Forces to assist the Department of Corrections
Enhance central and local governments' preparedness for responses to crises.	New measure	New measure	The NZDF participates in central and local governments' planning and multi-agency training exercises to enhance the all-of-government preparedness for responses to community-scale crises
<i>Defence Support to the Community</i>			
This category is intended to provide Defence Force resources for the betterment of the community at large and to inform the public's awareness of the proficiency and practice of the Armed Forces.			
The provision of leadership and skills training for the New Zealand Cadet Forces.	New measure	New measure	Develop confident, responsible young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities
The provision of support to government initiated youth development schemes and contributions to other sponsored youth life skills programmes.	New measure	New measure	Limited Service Volunteers - Meet the Ministry of Social Development requirements for selected trainees to gain life skills, develop core values, teamwork and trust, which boost self esteem and self confidence Youth Life Skills programme - Meet the Ministry of Education requirements for Service Academies and provision of leadership development and outdoors adventure-based training opportunities within high schools Military-style Activity Camps - Support the Justice Sector (Child Youth & Family) deliver the physical aspects of the military-style camp and the development of discipline, routine and a sense of self-respect amongst the participants New Zealand Police Blue Light Trust - Contribute services to the Blue Light Trust to enhance the Trust's youth development programmes nationwide



Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Promotion of New Zealand's identity through the preservation New Zealand's military history and culture for the enjoyment of future generations.	New measure	New measure	Provision of facilities and services to support the management of Service Museums and the development, management and display of New Zealand's military history collections
Support significant national and local events that benefit the community.	New measure	New measure	Provision of services at hui of significance and national and local events, including ceremonial and military displays that contribute to the success of the occasion and enhances the identity and professional reputation of the NZDF
<i>Defence International Engagement</i>			
This category is intended to support foreign policy objectives that strengthen security and avert conflict.			
Maintain a contemporary network of multilateral and bilateral military relationships that advances the professional capacity of the NZDF.	New measure	New measure	Ensure that the programme of military engagement provides for a range of interactions that informs Defence of emerging advances in military operations, provides for professional development, fosters interoperability and enhances the reputation of New Zealand and the NZDF
Support recognised alliance and other arrangements that foster peace and security.	New measure	New Measure	Participate in exercises and related activities that support the Government's foreign policy objectives
The visit schedule for senior military officers maintains a strong network of professional relationships and complements the Government's broader foreign policy objectives.	New measure	New measure	The approved Senior Officer visit programme is cognisant of the Government's foreign policy and defence engagement priorities
Maritime deployments and ship visits satisfies all-of-government efforts to enhance New Zealand's reputation.	New measure	New measure	Maritime deployments, exercises with security partners and ship visits to selected nations are cognisant of the Government's foreign policy and defence engagement priorities
Regional engagement.	New measure	New measure	Participate in regional activities that contribute to the Government's foreign policy objectives to improve the resilience, economic and social wellbeing of Pacific Island nations
Contribute to confidence and security building measures.	New measure	New measure	Participate in multilateral and bilateral confidence and security building activities and contribute to initiatives that prevent the proliferation of weapons of mass destruction and further New Zealand's foreign policy objectives as directed by the Government
Contribute to the maintenance of peace and security through the assignment of Defence Attaches and Advisers.	New measure	New measure	Maintain resident and non-resident Defence representation in host nations in accordance with the Government's direction
The NZDF remains well-informed about defence doctrine and advances in defence-related technology.	New measure	New measure	<ol style="list-style-type: none"> <li>1. Maintain active participation in specific military fora to enable the NZDF to remain well-informed about military doctrine, current military operations and future changes and exchanges of information related to the profession-of-arms</li> <li>2. Maintain a network of relationships with external scientific and technology organisations that contribute to the development of solutions for the Government, the Defence Force, and New Zealand's national security agencies and supports the provision of military capability and promotion of security</li> </ol>

	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Assessment of Performance			
<i>Military Assistance to Civil Authorities in Non-Emergency Situations</i>			
This category of output expenses is intended to provide Defence Force resources, services and non-emergency assistance periodically provided to the Government and civil authorities.			
Support State ceremonial activities that represent the nation and meet the Government's direction.	New measure	New measure	The provision of military guards, suitably tailored for the occasion, military bands and associated support for the Government's state events
Support significant military anniversaries and nationally recognised commemorative events.	New measure	New measure	The provision of military guards, suitably tailored for the occasion, military bands and associated support for significant military anniversaries, nationally recognised commemorative events and significant commemorative events overseas
Support the Viceregal Household.	New measure	New measure	Representational staff for the Viceregal House, the provision of military guards, suitably tailored for the occasion, military bands, air, land and sea transport and associated support for viceregal activities
Support the Government's internal and external transportation requirements.	New measure	New measure	Provision of air, land and sea transport for members of the Government and guests of the State
<i>Resource and Border Protection Operations</i>			
This category of output expenses is intended to provide the sharing of information and provision of resources to support all-of-government efforts to protect New Zealand's borders and offshore maritime interests.			
Government agencies are informed of activities going-on in the maritime zones of national interest to New Zealand.	New measure	New measure	Information on maritime traffic, suitably adapted for civil needs, is passed to the National Maritime Coordination Centre (NMCC) in an actionable timeframe
Air surveillance capabilities are available for the conduct of pre-planned missions in support of the National Maritime Coordination Centre (NMCC).	New measure	New measure	The NZDF is able to meet no less than 90% of the total agreed pre-planned air tasks requested by NMCC
Air surveillance capabilities are available to meet NMCC requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation.	New measure	New measure	The NZDF is able to meet no less than 90% of the total response tasks requested by NMCC within the agreed notice to move
Naval patrol and surveillance capabilities are available for the conduct of pre-planned missions in support of the NMCC.	New measure	New measure	The NZDF is able to meet no less than 90% of the total agreed pre-planned maritime tasks requested by NMCC
Naval patrol capabilities are available to meet NMCC requirement to investigate vessels of interest and respond to actual or potential non-compliance with New Zealand and international legislation.	New measure	New measure	The NZDF is able to meet no less than 90% of the total response tasks requested by NMCC within the agreed notice to move

Assessment of Performance	2013/14		2014/15
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Support New Zealand's right to sovereignty over the Ross Dependency and continuous presence on the Antarctic continent.	New measure	New measure	The provision of specialised military capabilities to support Antarctic New Zealand's operations in New Zealand and on the Antarctic continent, including contributions to the joint US/NZ logistics pool
Contribute to New Zealand's efforts to manage Antarctic marine living resources.	New measure	New measure	The provision of specialised military capabilities to support New Zealand's efforts to manage marine living resources on and about the Antarctic continent, as requested by the Ministry of Foreign Affairs and Trade
Naval and air capabilities are available to conduct pre-planned missions to service the offshore islands and demonstrate New Zealand's sovereignty.	New measure	New measure	The NZDF is able to meet no less than 90% of the total pre-planned tasks requested by NMCC

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Chief of Defence Force in the NZDF Annual Report for the year ended 30 June 2015 to be presented in the House.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2013/14 Budgeted \$000	2014/15 Budget \$000	2015/16 Estimated \$000	2016/17 Estimated \$000	2017/18 Estimated \$000
Defence Mid-point Rebalancing Review - Funding Track	2014/15	-	19,800	22,534	27,518	27,518

### *Reasons for Change in Appropriation*

This output expense has been created as a result of a new output structure for Vote Defence Force. In addition to being created by transfers from old outputs, additional funding has been appropriated for the Defence Mid-point Rebalancing Review as shown in the above table.