

Performance Information for Appropriations

Vote Defence Force

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of Defence (M22)

ADMINISTERING DEPARTMENT: New Zealand Defence Force

MINISTER RESPONSIBLE FOR NEW ZEALAND DEFENCE FORCE: Minister of Defence

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister of Defence is responsible for appropriations in Vote Defence Force, totalling just over \$2,852 million, for the 2010/11 financial year.

This includes just over \$2,279 million for departmental output expenses and a capital expenditure appropriation of just under \$573 million for the purchase of assets. The \$2,279 million amount covers the following:

- a total of just over \$2,159 million on the Navy, Army, and Air Force to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand. These forces 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 a range of services to other government departments and the New Zealand community when not committed to operations overseas. The breakdown of appropriations, by Service, is as follows:
 - Navy: just under \$673 million
 - Army: just over \$843 million
 - Air Force: just over \$643 million
- a total of just over \$78 million on Operationally Deployed Forces
- a total of just under \$26 million on a Multi-Class Output Appropriation (MCOA), Miscellaneous Support Activities, that includes New Zealand Defence Force support to the Mutual Assistance Programme, the New Zealand Cadet Forces, Government-initiated Youth Development Schemes (Limited Service Volunteer courses, Service Academies and Military-style Activity Camps), and Service Military Museums
- a total of just over \$16 million on military policy development, coordination and advice to the Government.

Of the total appropriation, the New Zealand Defence Force expects to recognise about \$33 million in third-party revenue (Revenue Department and Revenue Other) in 2010/11. The remainder is funded from Revenue Crown.

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

Part 1.2 - High-Level Objectives of the Vote

Defence Act 1990

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

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

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

Primary Mission of the New Zealand Defence Force

The primary mission of the NZDF remains:

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

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

Contribution of Appropriations to Government Priorities and Outcomes

Appropriations	Government Priorities	Government Outcomes
<p>Departmental Appropriations: Military Policy Development, Coordination and Advice</p> <p>For Navy: Naval Combat Forces (the two ANZAC class frigates) Naval Support Forces (Amphibious Sealift Ship and Fleet Replenishment Ship) Mine Counter Measure (MCM) and MCM Diving Forces (MCM Vessel and Operational Diving Team) Naval Patrol Forces (the two Offshore and four Inshore Patrol Vessels) Military Hydrography, and Hydrographic Data Collection and Processing for Land Information New Zealand</p> <p>For Army: Land Combat Forces [command and control, intelligence and manoeuvre force elements (infantry and reconnaissance)] Land Combat Support Forces (artillery, engineers, communications and military police) Land Combat Service Support Forces (transport, medical, supply, repair and movements) Special Operations Forces (special land operations, counter-terrorist operations, and forces to deal with chemical, biological, radiological and explosive improvised explosive devices)</p> <p>For Air Force: Naval Helicopter Forces (five Seasprite SH-2G maritime helicopters) Maritime Patrol Forces (six P-3K Orion surveillance aircraft) Fixed Wing Transport Forces (two Boeing 757 and five C-130 Hercules aircraft) Rotary Wing Transport Forces (14 UH-1H Iroquois helicopters)</p> <p>Others: Operations Operationally Deployed Forces (operational commitments as approved by the Government)</p>	<p>Key Priorities: The key priorities for Defence for 2010/11, with contributions from the NZDF as applicable, are:</p> <ul style="list-style-type: none"> • Completion of the Defence Review. The focus is on "how well the NZDF meets the tasks that are expected of it by the Government." The objective is that the NZDF be capable of doing more with current funding. • Ensuring the NZDF remains Effective and Responsive. Ensure that, in concert with capability management, current operations, both international and domestic, are effective and sustainable. • Consolidating the ANZAC Relationship. Creating new opportunities with Australia in developing complementary military capabilities, particularly in the areas of air transport, response forces for the South Pacific, and the defence industry. • A Sound and Balanced Acquisition Strategy. Ensure effective management of acquisitions by raising the capability of procurement agencies, ensuring that a whole-of-life approach is taken, and looking for solutions that meet reasonable expectations. • New Resource Management Methods. Ensure that value for money is evident in and pervades Defence and identifying opportunities for greater efficiencies in the management of assets and infrastructure. 	<p>Main Outcome: New Zealand secure and protected from external threats now and in the future.</p> <p>Intermediate Outcomes:</p> <ul style="list-style-type: none"> • Secure New Zealand, including its people, land, territorial waters, exclusive economic zone, natural resources and critical infrastructure. • Reduced risks to New Zealand from regional and global insecurity. • New Zealand values and interests advanced through participation in regional and international security systems. • New Zealand is able to meet future national security challenges.

Appropriations	Government Priorities	Government Outcomes
<p>Miscellaneous Support Activities: New Zealand Defence Force Support to:</p> <ul style="list-style-type: none"> • The Mutual Assistance Programme • New Zealand Cadet Forces • Support to Youth Development (Limited Service Volunteer courses, Service Academies and Military-style Activity Camps) • Military Museums 	<ul style="list-style-type: none"> • Strengthen New Zealand's key bilateral relationships to support our security and economic aspirations, and • Intensify efforts to secure the long-term security and economic growth of the South Pacific and key partner countries in the region. <p>Investment in young people and the promotion of an appreciation among members of the cadet forces of the functions and operation of the Armed Forces.</p> <p>Increase investment in young people during the economic downturn by implementing the Government's programme on "Fresh Start for Young People."</p> <p>Increasing audiences and the appreciation of New Zealand culture and cultural resources (including our rich military heritage).</p>	<p>New Zealand's security and economic interests safeguarded through its security and economic relationships.</p> <p>Good citizenship among members of the cadet forces.</p> <p>The lives of young people at risk of poor outcomes are improved.</p> <p>New Zealanders valuing access and opportunities to participate in cultural/heritage experiences.</p>

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2005/06	2006/07	2007/08	2008/09	2009/10		2010/11			2011/12	2012/13	2013/14
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	1,657,820	1,814,698	1,879,436	2,101,301	2,222,367	2,222,367	2,279,461	-	2,279,461	2,241,763	2,236,671	2,236,671
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	1,665	-	337	93,300	93,300	-	-	-	-	-	-
Capital Expenditure	428,827	611,993	356,586	365,530	520,000	389,830	572,914	-	572,914	490,160	254,869	254,869
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	2,086,647	2,428,356	2,236,022	2,467,168	2,835,667	2,705,497	2,852,375	-	2,852,375	2,731,923	2,491,540	2,491,540
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-

New Policy Initiatives

Policy Initiative	Appropriation	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
To provide recognition of NZDF funding pressures in 2010/11 and outyears as a result of increased depreciation arising from upgraded and new major equipment.	Military Policy Development, Coordination and Advice Departmental Output Expense	-	3,456	3,456	3,456	3,456
	Naval Combat Forces Departmental Output Expense	-	(6,784)	(6,784)	(6,784)	(6,784)
	Naval Support Forces Departmental Output Expense	-	2,366	2,366	2,366	2,366
	Mine Countermeasures (MCM) and MCM Diving Forces Departmental Output Expense	-	(1,432)	(1,432)	(1,432)	(1,432)
	Naval Patrol Forces Departmental Output Expense	-	13,961	14,332	14,332	14,332
	Military Hydrography, and Hydrographic Data Collection and Processing for LINZ Departmental Output Expense	-	(299)	(299)	(299)	(299)
	Land Combat Forces Departmental Output Expense	-	10,589	10,589	10,589	10,589
	Land Combat Support Forces Departmental Output Expense	-	2,007	2,007	2,007	2,007
	Land Combat Service Support Forces Departmental Output Expense	-	(3,918)	(3,918)	(3,918)	(3,918)
	Special Operations Forces Departmental Output Expense	-	5,501	5,501	5,501	5,501
	Naval Helicopter Forces Departmental Output Expense	-	1,231	1,231	1,231	1,231
	Maritime Patrol Forces Departmental Output Expense	-	5,025	5,025	5,025	5,025
	Fixed Wing Transport Forces Departmental Output Expense	-	10,472	10,472	10,472	10,472
	Rotary Wing Transport Forces Departmental Output Expense	-	(6,369)	(6,369)	(6,369)	(6,369)
	Miscellaneous Support Activities Departmental MCOA	-	(1,177)	(1,177)	(1,177)	(1,177)
	Operationally Deployed Forces Departmental Output Expense	-	371	-	-	-
	Sub Total		-	35,000	35,000	35,000

Policy Initiative	Appropriation	2009/10 Budgeted \$000	2010/11 Budget \$000	2011/12 Estimated \$000	2012/13 Estimated \$000	2013/14 Estimated \$000
Funding for Operationally Deployed Forces	Operationally Deployed Forces Departmental Output Expense	-	14,048	-	-	-
Sub Total		-	14,048	-	-	-
Total Initiatives		-	49,048	35,000	35,000	35,000

Analysis of Significant Trends

Total Vote: All Appropriations

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

Departmental output expense appropriations

The following changes are noted:

- The total increase in annually appropriated output expenses of almost \$157 million between 2005/06 and 2006/07 is shown in the following table:

Item	\$ million
DSI Funding Package (2006/07)	73
Project Protector funding	26
New Defence House funding	5
Expense Transfer from 2004/05 to 2005/06	(19)
Operation Enduring Freedom funding transfer to MYA	(11)
Capital Charge adjustments for 2006/07, including rate reduction to 7.5%	(3)
2006/07 Capital Charge savings (rate-related)	2
Depreciation Impact of 30 June 2006 Asset Revaluation	42
Gross Capital Charge Impact of 20 June 2006 Asset Revaluation	33
Absorb 0.001% Capital Charge savings ex Rate Change 2006 March Baseline Update	(5)
Reinstate prior transfers from MYA	10
Transfer Depreciation savings to 2007/08 Capital Injection	(10)
Operationally Deployed Forces - MYA phasing difference	13
Miscellaneous	1
Total	157

- The total increase in annually appropriated output expenses of \$65 million between 2006/07 and 2007/08 is shown in the following table:

Item	\$ million
2006/07 Surplus	6
DSI Funding Package (2007/08)	58
Project Protector increment	29
Transfer Depreciation Savings	10
Technical Adjustment (mainly Capital Charge)	2
Expense Transfer to 2008/09 from 2007/08	(68)
Operationally Deployed Forces (Phasing Differences)	34
2007/08 Surplus on Outputs	(6)
Total	65

- The major items that contributed to the \$222 million increase in annual departmental output expense appropriations between 2007/08 and 2008/09 are shown in the following table:

Item	\$ million
DSI Funding Package (2008/09)	69
Expense Transfer (comparative) 2007/08 decrease	68
Expense Transfer (comparative) 2008/09 increase	68
Project Protector increment	8
2007/08 Output Surplus	7
Capital Charge - historic technical changes	6
Response to Joint Working Group - Concerns of Vietnam Veterans - in 2007/08 only	(1)
Historic Transfers to MYA (Operationally Deployed Forces) from Annual Expenses	(2)
Operationally Deployed Forces - Difference between MYA (\$71 million) in 2007/08 and Annual in 2008/09 (\$79 million)	8
Project KiwiImage (All of Government Imagery Purchase)	1
Capital Charge for 30 June 2008 Asset Revaluation	33
Expense Transfer from 2008/09 to 2009/10	(10)
Return of 2008/09 Savings to the Crown	(40)
Revised Tax Treatment for 2008/09	1
Miscellaneous differences	6
Total	222

- The major items that contributed to the \$121 million increase in annual departmental output expense appropriations between 2008/09 and 2009/10 are shown in the following table:

Item	\$ million
Expense Transfer (comparative) from 2007/08 into 2008/09 only	(68)
Verification Service Levy Transfer in 2009/10	(1)
Transfer Residual MYA from 2007/08 into 2008/09 only for Operationally Deployed Forces	(7)
2008/09 Savings returned to the Crown	40
Expense Transfer (2008/09 decrease)	10
Expense Transfer (2009/10 increase)	23
Revised Tax Treatment increase over 2008/09	5
Supplementary Operationally Deployed Forces funding	21
Defence Funding Package (Budget 2009)	52
Capital Charge for 30 June 2009 Asset Revaluation	32
Depreciation for 30 June 2009 Asset Revaluation	20
Expense Transfer to 2010/11	(10)
Enhance Youth Development	5
Miscellaneous Vote Transfers	(1)
Total	121

Other expenses

- The Other Expense appropriation of \$1.665 million in 2006/07, by way of a write-off, was a technical adjustment to provide for asset-related costs held on the NZDF balance sheet to be written off by 30 June 2007, in accordance with Audit New Zealand advice.
- An Other Expense of \$2.700 million, for expensing by 30 June 2008, related to the disposal cost of items included in the NZDF Statement of Financial Position, in accordance with Audit New Zealand advice.
- An Other Expense of \$3 million, for expensing by 30 June 2009, of costs included in the NZDF Statement of Financial Position.

Comparison: 2009/10 with 2010/11

Departmental output expenses

Appropriations for the purchase of NZDF outputs for the year ending 30 June 2011 include the following Cabinet-agreed departmental output expense funding changes that were considered during the 2010 Budget process:

- An increase in 2010/11 and outyears of \$35 million for depreciation.
- An expense transfer of \$10 million from 2009/10 to 2010/11.
- An increase in Operationally Deployed Forces in 2010/11 of \$14.048 million.

The annual departmental output expense appropriations sought for Vote Defence Force in 2010/11 exceed those for 2009/10 by \$57 million. The major items and values that contribute to this increase are shown in the following table:

Item	\$ million
Expense transfer from 2008/09 for 2009/10 only	(10)
2010/11 increase previously agreed through Budget 2009	34
Technical increase - Capital Charge	4
Transfer of 2008/09 surplus for 2009/10 only	(13)
Committed cost of Operationally Deployed Forces	(18)
Full-year impact of enhanced Youth Development	5
Expense Transfer from 2009/10 for 2010/11 only	20
New 2010/11 Funding - Budget 2010	35
Total	57

Other expenses

An Other Expense of \$3.300 million for expensing by 30 June 2010 of costs included in the Statement of Financial Position.

An Other Expense of \$90 million to provide for a write down in the value of the Royal New Zealand Navy Project Protector vessels before 30 June 2010.

Capital expenditure

The Capital Expenditure appropriations shown in the trends table between 2005/06 and 2012/13 disclose the annual payments for equipment purchases to be made to the Ministry of Defence, and for NZDF managed capital projects.

Outyears: 2011/12 - 2013/14

Subject to the outcomes of the current Defence Review, including the Value for Money Review, there are no significant forecast changes for the outyears 2011/12 - 2013/14.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Most of the NZDF's day-to-day activities in New Zealand, and for which it is funded, are designed to prepare the force elements of the Navy, Army and Air Force to contribute to operations as approved by the Government of the day. Coupled with the unavoidable uncertainty of security events, competing priorities, and the relative irreversibility of many major acquisition decisions, this makes the NZDF complex and unique compared to most other government departments. Those departments, in their day-to-day activities, are actually delivering their "end product" (their services), whereas the NZDF's ultimate "end product" is the effective contribution of NZDF force elements to operational missions. This is achieved through the NZDF Output Expense "Operationally Deployed Forces" and, in the New Zealand environment, "Multi-Agency Operations and Tasks (MAO&T)." The focus of what the NZDF does, therefore, is primarily geared to the preparation of forces and delivery of this ultimate "end product" or goal. The impacts the NZDF is striving to achieve through the delivery of current NZDF Outputs are shown in the following table:

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>A better informed government and public, as appropriate, in the areas of:</p> <ul style="list-style-type: none"> • Military Intelligence • Military Policy • Operational Military Policy Advice • Ministerial Correspondence and Parliamentary Questions 	Military Policy Development, Coordination and Advice
<p>A Defence Force that has the capacity to deliver an appropriate range of military response options to the Government for deployment on operations. (This is achieved through the generation of levels of capability preparedness of the force elements of the Navy, Army and Air Force.)</p> <p>A Defence Force that has the capacity to deliver the required levels of support to other government departments and agencies for Multi-Agency Operations and Tasks, and community support, when not otherwise committed to operations.</p>	Naval Combat Forces, Naval Support Forces, Mine Countermeasures (MCM) and MCM Diving Forces, Naval Patrol Forces, Military Hydrography and Hydrographic Data Collection and Processing for LINZ, Land Combat Forces, Land Combat Support Forces, Land Combat Service Support Forces, Special Operations Forces, Naval Helicopter Forces, Maritime Patrol Forces, Fixed Wing Transport Forces, Rotary Wing Transport Forces
<p>A Defence Force that has the capacity to deliver high quality support to a range of programmes and services within and outside the NZDF.</p>	<p>Multi-Class Output Appropriation - Miscellaneous Support Activities:</p> <ul style="list-style-type: none"> • Support to Mutual Assistance Programme (MAP) • Support to NZ Cadet Forces • Support to Youth Development (Limited Service Volunteer Scheme, Youth Life Skills Programme and Military-style Activity Camps) • Support to Service Military Museums
<p>Government military contributions to United Nations missions and other government-supported multi-national force operations are valued and seen as New Zealand being a good international citizen.</p> <p>Defence Force contributions to government-approved operational missions and deployments are of a high standard in terms of personnel and equipment; personnel and equipment that is Ready, Combat Capable, Deployable and Sustainable.</p>	Operationally Deployed Forces

NZDF Performance Information

Prior to detailing the expected performance of each of the NZDF's Output Expenses for which appropriations are sought, it is necessary to provide information on three essential elements of the NZDF's performance measurement process. This information is necessary for a proper understanding of the performance indicators and performance rating scale, used under the NZDF's Operational Preparedness and Reporting System (OPRES), and Employment Contexts which, together, form the basis against which 13 of the NZDF's 16 Output Expenses are assessed. Rather than repeating this information against every one of the relevant 13 Output Expenses, it is recorded here to refer back to, as required. The information is contained under the next few headings.

Indicative Key Performance Indicators and Performance Measures

The table that follows shows the indicative Key Performance Indicators (KPIs) and Performance Measures used for all Force Elements of the Navy, Army and Air Force. These are applicable to all NZDF Output Expenses relating to the Navy, Army and Air Force, which appear later in this part of the Information Supporting the Estimates of Appropriations. The table is "indicative" as the actual measures used by each of the Services do vary slightly; reflecting that the Navy and Air Force are primarily based on platforms, whereas the Army is based more on personnel. The Service-specific KPIs are detailed in appropriate NZDF directives.

Within OPRES, the performance of all force elements is assessed against four elements of preparedness - Readiness, Combat Viability, Deployability and Sustainability. Within each of these elements, measures are applied to, predominately, personnel, equipment and training - as shown in the following table:

Key Performance Indicators	Performance Measures
Readiness:	
Directed Level of Capability (DLOC) Establishment Filled	% of Unit's DLOC Establishment that is filled
Personnel Continuity	% of personnel turnover (quarterly basis)
Key Personnel Appointments Filled Over Time	% of key appointments filled by qualified personnel
Equipment Serviceability	% of Unit Establishment platforms/equipments that are serviceable
Individual and Unit Level Training Completed	% of individual/unit Readiness Training Activities (RTA) completed within reporting period
Mission Critical Platform/Combat System/DLOC Aircraft Availability	% of programmed operating time in which the ship's platform/combats systems were available/ % of DLOC aircraft available
Sufficiency of Readiness Training Activities (RTA) Equipment, Expendable Stocks and Munitions	% of stocks and live/practice munitions available for required Readiness Training Activities
Combat Viability:	
Adequacy of Tactics, Techniques and Procedures	% mission success and element survivability enabled by tactics, techniques and procedures
Collective Proficiency in Employment Context (EC) Tasks	% of collective/joint/ combined exercises covering EC essential tasks completed
Standardisation	The degrees of interoperability allowed by the level of standardisation with international friendly forces for the EC Mission Essential Tasks (METs). [Measured as defined by the North Atlantic Treaty Organisation (NATO), Air Standardisation Interoperability Council (ASIC) and American, British, Canadian, Australian (ABCA) Armies Standardisation Programme]
Mission Critical Equipment Operational Viability or Suitability	% mission success enabled (or restrictions on mission) by technology or equipment performance
Equipment Reliability for Mission Critical Systems	% degradation of EC essential tasks at OLOC operating tempo due to equipment reliability

Key Performance Indicators	Performance Measures
Deployability:	
EC Specific Operational Level of Capability (OLOC) Generation and Contingency Plans	Plans distributed, reviewed and validated as current (annually)
Critical Equipment Deficiency Correction within Response Time	% of Critical Deficiencies that can be corrected within Response Time (RT)
Sufficiency of Deployment Expendable Stocks and Munitions	% of live/practice munitions and stocks available for OLOC generation and retention, including the Operational Viability Period (OVP)
Serviceability and Availability of OLOC Generation Equipments	% of OLOC generation equipments serviceable and available
Availability of OLOC Generation Personnel	% of Personnel available for OLOC generation
Sustainability:	
Availability of Replacement Personnel	% of Service personnel to provide for sustainment
Key Equipment Repairability	% of operating time during which Force Element availability is degraded at OLOC operating tempo by repair times
Availability of Sustainment Equipment, Stocks and Munitions	% of sustainment equipment, stocks and munitions available or obtainable within RT + OVP
Availability of Replacement Equipment	% of replacement equipment available or obtainable within RT + OVP
Material Supply Times	% of operating time during which Force Element availability is degraded at OLOC operating tempo by supply times.
Ability to Achieve and Sustain Operating Tempo to Achieve Tactical Objectives	% operating tempo able to sustain throughout duration of deployment (due to aircraft/equipment serviceability and availability).

NZDF Operational Preparedness and Reporting System (OPRES) Performance Rating Scale

The following Performance Rating Scale is used, within OPRES and in the Statement of Service Performance (SSP) tables that follow, to quantify Force Element performance standards in achieving preparedness relative to the Directed Level of Capability (DLOC). A performance rating ('P' rating) for a Force Element represents the distillation of a vast amount of underlying performance assessment at varying levels of the NZDF - from units to headquarters. In particular, it involves assessment against each of the key performance indicators, as in the table above, against all applicable Employment Contexts. The 'P' rating standards also reflect the NZDF's priorities for each force element for the financial year. For example all P1 rating standards represent priority one, all P2 rating standards represent priority two, and so on.

Rating	Meaning
P1	Fully Prepared. It means that the standards required for all measurement areas, under OPRES, have been achieved by between 90 to 100%. Response Time does not require extending from that specified in the NZDF Output Plan.
P2	Substantially Prepared. The force element requires minimal resource input such that the Response Time is projected to be extended by up to the order of 33% in the applicable Employment Context (EC). It means the standards required for all measurement areas, under OPRES, have been achieved by between 80 and 89%.
P3	Partially Prepared. The force element requires a substantial resource input such that the Response Time is projected to be extended by a period in the order of between 34% and 50% in the applicable EC. It means the standards required for all measurement areas, under OPRES, have been achieved by between 70 to 79%.
P4	Not Prepared. The force element requires a level of resource input such that the Response Time for the applicable EC could be expected to be extended by more than 50%. It means the standards required for all measurement areas, under OPRES, have been achieved by less than 70%.
P5	Unavailable for Assessment - The force element/capability is unavailable for assessment. This could be as a result of a capability being deployed, commissioned, or introduced.

Note - DLOC should be seen as a band within which there are five ratings (P1 to P5). A force element that has been set a P1 rating standard is at DLOC if it achieves a P1 rating. If that force element only achieves a P2 rating, it is below its DLOC. Similarly, a force element that has been set a P2 rating standard for the year is at DLOC if it achieves a P2 rating - even though it is not "fully prepared." For reporting purposes, if a force element is below its stated "P" rating, an explanation as to why that situation has occurred, as well as what is required to return it to its stated "P" rating must be provided; this will include one or more of time, personnel, equipment or training.

External audit of the NZDF's performance

It should also be noted that, other than the NZDF's internal mechanisms for measuring performance, the following agencies also have a major role to play in evaluating the performance of the NZDF, including output performance:

- the Evaluation Division of the Ministry of Defence
- the Office of the Controller and Auditor General, and
- Audit New Zealand.

Employment contexts

Strategic guidance provides information on the circumstances in which the Government may choose to use military forces. The NZDF uses this guidance to develop geographically grouped Employment Contexts (ECs). ECs are descriptions of representative and illustrative security events for which there is a likelihood that a New Zealand Government would expect to make a military response should they occur. ECs are selected through assessment of New Zealand's geo-strategic situation and international security trends.

The ECs are chosen on the basis of their likelihood of occurrence in the near and longer terms and the consequences for New Zealand's Defence Outcomes if the NZDF was unable to provide an appropriate response. ECs include high level Operational Concepts which, in turn, drive Services' and Joint Mission Essential Tasks (JMETs), that is, those tasks that the deployed forces must be able to perform. The JMETs drive the priorities for the Services' and joint annual training activities and which determine the output parameters that need to be delivered in order to meet the Government's requirements. The ECs also designate the anticipated time (known as the Response Time) available for the final preparation of force elements for their operational deployment; this affects the level of capability that must be maintained on an annual basis. Concepts for Operations and Contingency Plans can then be developed for relevant ECs. Current EC Operational Concepts list the most likely force elements that would be involved in each security event.

These force element lists are a guide only and are not exhaustive; each security event may require the addition or deletion of some force elements. ECs provide the detail that ensures the NZDF output quality dimension is consistent with defence policy. The ECs, which are covered in more detail in the NZDF Output Plan and other NZDF-internal documents, are as listed below. The 'bolded' ECs (such as EC 1D, 2B, 4A, etc.,) are those that have been fully developed and against which the Force Elements of the NZDF, as applicable, are assessed for preparedness - as shown in the Output Expense tables that follow.

EC 1 - Security Challenges and Defence Tasks in New Zealand and its environs:

- **EC 1A - Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty.**
- EC 1B - Natural and manmade disasters.
- EC 1C - Support to the delivery and maintenance of essential services in exceptional circumstances, including the hosting of major events.
- **EC 1D - Terrorist and Asymmetric Threats.**
- EC 1E - Support for Antarctic presence.

EC 2 - Security Challenges to New Zealand's Interests in the South Pacific:

- EC 2A - Illegal exploitation of marine resources within South Pacific EEZs, and other low-level threats to South Pacific nations' territorial sovereignty.
- **EC 2B - Natural and manmade disasters.**
- **EC 2C - State failure or fragility leading to internal conflict and/or humanitarian crisis.**
- EC 2D - Terrorist Threats.
- **EC 2E - Challenges to legitimate governments, including civil war and secessionist conflict.**

EC 3 - Challenges to New Zealand and Australia Common Security Interests:

- EC 3A - Illegal exploitation of marine resources within Australia's EEZ, and other low-level threats to Australia's territorial sovereignty.
- EC 3B - Natural or manmade disasters.
- EC 3C - External aggression against Australia.
- EC 3D - Terrorist or Asymmetric Threats.

EC 4 - Security Challenges to New Zealand's Interests in the Asia-Pacific Region:

- **EC 4A - Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation.**
- EC 4B - Natural or manmade disasters.
- EC 4C - State failure or fragility leading to internal conflict and/or humanitarian crisis.
- EC 4D - Terrorist Threats.
- EC 4E - Weapons of Mass Destruction (WMD) proliferation.
- **EC 4F - Inter-State conflict.**
- EC 4G - Acts of piracy and people smuggling.

EC 5 - Security Challenges to New Zealand's Interests in Global Peace and Security:

- EC 5A - Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation.
- EC 5B - Unresolved conflict or conflict resolution process where protagonists have sought third party resolution assistance.
- EC 5C - State failure or fragility leading to internal conflict and/or humanitarian crisis.
- **EC 5D - Terrorist Threats (the "War against Terrorism").**
- EC 5E - WMD proliferation.
- EC 5F - Contravention of international norms that triggers a multi-national response.
- EC 5G - Major breakdown in international security leading to wide-scale war.

Services in Support of the Community - including Multi-Agency Operations and Tasks (MAO&T)**General**

The NZDF has the capacity to deliver a range of services in support of other government departments, the community, and foreign and defence policy objectives, while conducting the training activities needed to maintain the DLOC for operational employment.

Approval levels for the provision of these services range from Cabinet/Ministerial level for significant events to unit commanders for minor local support tasks. Generally, tasks will be approved on the

direction of the Chief of Defence Force, a Service Chief (Navy/Army/Air Force), or the Commander Joint Forces NZ. Details are contained in Defence Force Orders 1 (DFO 1), Chapter 13 - Assistance to Community Organisations.

Some general services are pre-planned or are, at least, reasonably predictable. Such tasks include ceremonial support, and planned assistance to the NZ Antarctic Programme, the NZ Police and other government departments. The frequency of other tasks, primarily of an emergency nature such as search and rescue, assistance to civil defence and fire fighting, are, obviously, less predictable. The NZDF maintains elements at specified degrees of notice (DON) for response to such emergencies.

The main NZDF elements that are to be available for emergency tasks, listed by Service, are shown in the following table:

Service	Elements Available for Emergency Tasks [with Degree of Notice (DON) where applicable]
Navy	<ul style="list-style-type: none"> • One frigate (or alternative vessel) at 8 hours' DON for emergency tasks, including Search and Rescue (SAR) and Medical Assistance/Evacuation. • One Inshore Patrol Vessel (IPV) at 8 hours' DON for emergency tasks, including SAR. • One Diving Team at six hours' DON for emergency tasks, including under-water search and Explosive Ordnance Disposal (EOD) (see Note 1) and 12 hours' DON when embarked. • One 25-person Civil Defence Response Group. • On-shore personnel for fire fighting, as available.
Army	<ul style="list-style-type: none"> • Personnel in the North Island and South Island at 48 hours' DON for emergency tasks, including SAR, Fire Fighting, and Casualty/Medical Evacuation. • HQ elements on call for Civil Defence in the North Island and South Island to support a Civil Defence HQ. • Four 25-person Civil Defence Response Groups. • Two 100-person Civil Defence Response National Reserve Groups. • One 500-person Reserve for Civil Defence. • EOD Teams in North Island and South Island at 12 hours' DON (see Note 1). • In-camp personnel for fire fighting, as available.
Air Force	<ul style="list-style-type: none"> • One Iroquois helicopter at 2 hours' DON for emergency tasks, including SAR, Fire Fighting and Casualty Evacuation. • One Orion (or one Hercules if an Orion is not available) at 2 hours' DON for emergency tasks, including SAR and Aeromedical Evacuation. • One Hercules at 14 hours' DON for emergency tasks. • One 25-person Civil Defence Response Group at each Air Base, and elements to support a Civil Defence HQ. • On-base personnel for fire fighting, as available.

Note 1 - EOD only as Improvised Explosive Device Disposal (IEDD) comes under Output Expense: Special Operations Forces.

Multi-Agency Operations and Tasks (MAO&T)

The term Multi-Agency Operations and Tasks (MAO&T) is used in many of the NZDF output performance tables contained in this document. The term is used within the relevant tables to draw a clear distinction between "general support" to the community and the more formal, pre-planned support to specific government departments and agencies, under the whole of government approach to, for example, protection of the New Zealand EEZ and border security.

MAO&T refers to the formal operational support and training for such operations and tasks that the NZDF (Navy, Army and Air Force) provides, and that are being developed, with other government departments and agencies - such as the Ministry of Fisheries, NZ Customs Service, NZ Police, Ministry of Foreign Affairs and Trade, Department of Conservation, Maritime New Zealand (MNZ), and related agencies. The Navy and Air Force, in particular, work closely, individually and/or collectively, with such agencies. The National Maritime Coordination Centre (NMCC), sponsored by the NZ Customs Service (host agency), coordinates the maritime-related MAO&T. The Government continues to emphasise the general direction

and increased importance of the civilian/military requirements associated with the NZ EEZ and border control.

The NZDF continues to work closely with other government departments and agencies to plan formal arrangements for these requirements. Also, work is progressing on developing more robust measures to assess the quality of NZDF assistance on MAO&T. The reporting of MAO&T, such as in the NZDF Annual Report, will be, by exception, against the table below.

A list of indicative NZDF MAO&T, general support to the government and the community, and tasks in support of foreign and defence policy objectives are listed in the following table. The scale and frequency of such tasks, unless pre-programmed, are not forecast. However, a summary of actual support provided is required for reporting purposes, and will be included in the Annual Report of the NZDF.

List of indicative MAO&T and general support

NZDF Support to:	Indicative Support Details / Remarks
NZ Police (excluding Search and Rescue)	Typically involves: <ul style="list-style-type: none"> • MAO&T (including up to 400 pre-planned Iroquois helicopter flying hours support). • RNZN ships (sea days). • Diving support. • Other general and "one-off" support and assistance. • Explosive Ordnance Disposal (EOD). Involves the provision of specialist EOD Team/s to render stray military ordnance safe. Requests for assistance are normally channelled through Regional or Local police direct to appropriate NZDF agencies. This does not include Chemical, Biological, Radiological Explosive Improvised Explosive Device Disposal (CBRE / IEDD) that comes under Output Expense: Special Operations Forces.
Land, Sea and Air SAR (in support of NZ Police, Rescue Coordination Centre New Zealand (RCCNZ), NadiRCC, SuvaMCC, or other requesting agency)	Typically involves: <ul style="list-style-type: none"> • Orion / Hercules / Iroquois (flying hours). For planning purposes, given the difficulty in predicting the exact requirement, flying hours provided for SAR are 85 Orion hours, 16 Hercules hours, and 60 Iroquois hours. Hours will be flown as required with aircraft and crews maintaining specified readiness. • RNZN ships (sea days). • Diving support. • Land search teams (man days). • Land transport (km). • Medical assistance (as required). • Rescue Coordination Centre New Zealand (RCCNZ) staffing support. • Logistic and other support (as required).
Ministry of Civil Defence and Emergency Management	Typically involves assistance, as requested, to declared national, regional or local Civil Defence emergencies (Details in DFO 91(1) NZJSP 102) and may involve: <ul style="list-style-type: none"> • Sea transport (sea days). • Fixed and rotary wing aircraft (flying hours). • Road transport (km). • Manpower (man days). • Logistic and other support. Reporting (for Quarterly and Annual reporting purposes) is to be provided on: <ul style="list-style-type: none"> • Actual support provided for specific Civil Defence emergencies during the period. • Other general support (including manning of various CD HQs for training exercises).
Department of Conservation (DOC)	Typically involves: <ul style="list-style-type: none"> • Sea or air transport to off-shore islands (sea days/flying hours). • Manpower assistance on land (man days). • MAO&T. • Other general support and assistance. For planning purposes, 400 x P-3K Orion flying hours are planned to enable the National Maritime Coordination Centre (NMCC) to provide support for the Ministry of Fisheries, NZ Customs Service, Department of Conservation, and other agencies.

NZDF Support to:	Indicative Support Details / Remarks
Department of Corrections	Various support and assistance.
Environmental Risk Management Authority	Various support and assistance.
NZ Fire Service and National Rural Fire Authority	Typically involves: <ul style="list-style-type: none"> • Fire fighting assistance, mainly in rural areas. • Support for specific fire-fighting operations (includes 20 Iroquois flying hours). • Other general support and assistance, including training.
Ministry of Fisheries	<ul style="list-style-type: none"> • MAO&T (including RNZN ships and RNZAF aircraft - sea days and air flying hours). • Any other general support and assistance. <p>For planning purposes, 400 x P-3K Orion flying hours are planned to enable the National Maritime Coordination Centre (NMCC) to provide support for the Ministry of Fisheries, NZ Customs Service, Department of Conservation, and other agencies.</p>
Ministry of Foreign Affairs and Trade (MFAT)	<ul style="list-style-type: none"> • Port visits, in support of MFAT. Typically involves 10 to 14 visits per year by major RNZN ships. • Surveillance patrols by RNZAF Orion aircraft in support of Pacific Island nations. • Disaster Relief (South Pacific). Typically involves: Air reconnaissance (flying hours); Air and sea transport (flying hours and sea days); Helicopter support (flying hours); Land manpower support (man days); and Logistic and other support (as required). For planning purposes, flying hours provided for Disaster Relief Support are 50 Hercules hours and 15 Orion hours. • Support for any specific events. • Any other general support and assistance.
Government House	Any major support for specific events/activities. (It does not include routine, on-going NZDF staff support and Aides-De-Camp assistance).
Ministry of Health	Support for any specific events (such as health surveys or assistance in hospitals).
Department of Internal Affairs	Typically involves: <ul style="list-style-type: none"> • Waitangi Guard ship. • Provision of ceremonial guards for visiting dignitaries. • Support to anniversaries, such as Anzac Day. • Provision of national military contingents to overseas commemorations as directed. • Other ceremonial support, including logistic support, as required.
Maritime New Zealand (MNZ)	<ul style="list-style-type: none"> • MAO&T (including RNZN ships and RNZAF aircraft - sea days and air flying hours). • Professional maritime advice. • Detection of Pollution (involves the detection and reporting of pollution, and any NZDF response / assistance as may be requested). • Any other support.
New Zealand Customs Service	<ul style="list-style-type: none"> • MAO&T (including RNZN ships and RNZAF aircraft - sea days and air flying hours). • Any other support. <p>For planning purposes, 400 x P-3K Orion flying hours are planned to enable the National Maritime Coordination Centre (NMCC) to provide support for the Ministry of Fisheries, NZ Customs Service, Department of Conservation, and other agencies.</p>
Department of Prime Minister and Cabinet (DPMC)	Typically involves: <ul style="list-style-type: none"> • Air transport (flying hours), including VIP flying. • Sea transport (sea days / hours). • Road transport (km). • Logistic and administrative support as required (man days). <p>For planning purposes, flying hours provided for VIP flying are: 70 Boeing 757 hours, 25 Iroquois hours, and 100 King Air hours.</p>
Support to the NZ Antarctic Programme (NZAP)	Involves NZDF support in accordance with an annual NZAP/NZDF agreed plan. Typically involves: <ul style="list-style-type: none"> • Hercules tasks to McMurdo Sound as agreed between the NZDF and Antarctic NZ. • Freight movement, terminal operations and training assistance. • Other assistance, on an annual basis, such as engineer support.

NZDF Support to:	Indicative Support Details / Remarks
General Medical Assistance/Support	Typically involves: <ul style="list-style-type: none"> • Medical / mercy flights (flying hours). • Medical rescue by RNZN ship (sea days). • Hospital assistance, including ambulance support. • Hyperbaric treatment (number of treatments).
General Community Support	Typically involves assistance to significant national and community events and could involve provision of: <ul style="list-style-type: none"> • Manpower (man days). • Sea, land and air transport (sea days / km / flying hours). • Logistic and other support.
General Training Courses	Typically involves the provision of training courses to other government departments and the community (schools / community groups): <ul style="list-style-type: none"> • Number of courses. • Manpower (man days). <p>This does not include NZDF support to the Limited Service Volunteer (LSV) Scheme or Mutual Assistance Programme (MAP) that is reported separately under the Multi-Class Output Appropriation (MCOA) Miscellaneous Support Activities.</p>

Fixed Wing Transport Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	228,014	228,014	244,441
Revenue from Crown	226,369	226,369	242,811
Revenue from Other	1,645	1,645	1,630

Reasons for Change in Appropriation

This appropriation will increase by \$16.427 million to \$244.441 million in 2010/11. This increase relates to the introduction into service of the upgraded C-130 Hercules aircraft.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of B757-200 available for strategic military transport tasks (from a total fleet of two aircraft).	1 Aircraft	1 Aircraft	2 Aircraft
Number of C-130 aircraft available for deployed military tasks (from a total fleet of five aircraft).	2 Aircraft	2 Aircraft	2 Aircraft
Number of additional C-130 aircraft available for EC 1D and emergency tasks, as required. The number of C-130 Hercules aircraft available during 2010/11 (through to 20011/12) will be affected by the on-going project to upgrade the fleet and will reduce the full capacity of this output. At least two aircraft will be removed from service at any one time during the upgrade programme. While the number of aircraft required by the NZDF Output Plan for OLOC should be maintained for the period, there will be periods where aircraft availability will be reduced - given the need to continue to cycle aircraft through group and phase servicing requirements. The reduced fleet size will have an impact on the duration of any operational deployments and the ability to rotate any such deployments. The requirement to sustain core and DLOC training will also affect the nature and extent of tasking that can be undertaken by the C-130 fleet during the period.	1 Aircraft	1 Aircraft	1 Aircraft
An Aeromedical Evacuation (AME) element for strategic and tactical AME in support of land operations. The RNZAF is required to provide forward, tactical and strategic AME services, including responsibility for the provision of AME-qualified personnel and associated AME equipment. For fixed wing tactical and strategic AME it is likely that, for high-dependency cases, specialist support would be sought from other Services of the NZDF and/or non-defence resources. Note: While the RNZAF is currently capable of conducting AME for low-dependency cases, the capability to conduct AME for high-dependency cases is currently being developed as resources permit.	AME element available	AME element available	AME element available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total Air Flying Hours:			
Boeing 757 (target range in hours).	1,330 - 1,470	1,253	1,190 - 1,316
Hercules C-130 (target range in hours). The total C-130 annual flying hours allocation has been adjusted to reflect the reduction in the number of C-130 aircraft available and the total number of hours that can be generated and supported by the fleet during the period.	1,995 - 2,205	1,993	2,043 - 2,257

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Preparedness - Fixed Wing Transport Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
B757 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
C-130 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>			
B757 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
C-130 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
B757 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
C-130 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
B757 Transport Force	Fully Prepared	Substantially Prepared	Fully Prepared
C-130 Transport Force	Fully Prepared	Substantially Prepared	Substantially Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>			
B757 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared
C-130 Transport Force	Substantially Prepared	Substantially Prepared	Substantially Prepared

Land Combat Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	385,711	385,711	405,762
Revenue from Crown	382,962	382,962	402,870
Revenue from Other	2,749	2,749	2,892

Reasons for Change in Appropriation

This appropriation will increase by \$20.051 million to \$405.762 million in 2010/11. This increase mainly relates to a redistribution of overhead costs based on asset values.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Army, drawing on Headquarters 2 Land Force Group (HQ 2 LFG), HQ 3 LFG, 1 RNZIR, 2/1 RNZIR, QAMR and 1 NZ Military Intelligence Company, and with supplementation from the Territorial Force, as required, will provide the initial and rotation land combat force elements to constitute, generally:</p> <ul style="list-style-type: none"> One sustainable Light Task Group (LTG) for tasks under ECs 1 to 5 (inclusive). (See Note 1 for definition of a LTG). <p>or</p> <ul style="list-style-type: none"> One non-sustainable Combined Arms Task Group (CATG) for tasks under ECs 2 to 5 (inclusive). (See Note 1 for definition of a CATG). 	N/A (see Note 2)	Company Group available for tasks under ECs 1 and 2	Available
	N/A (see Note 2)	Battalion Group partially available for tasks under ECs 2 to 5	Available
<p>Army will also provide:</p> <ul style="list-style-type: none"> an appropriate headquarters for simulation and Command Post Exercise-based combined-arms training. an appropriate headquarters (including intelligence and communications support) for command and control of a deployed force. 	Available	Delivered	Available
	Available	Delivered	Available
<p>Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).</p>	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Preparedness - Land Combat Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Command, Control and Intelligence	Fully Prepared	Fully Prepared	Fully Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• Up to a LTG (for Cordon duties)	N/A (see Note 2)	Fully Prepared for a Company Group	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>			
Command, Control and Intelligence	Fully Prepared	Substantially Prepared	Fully Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• Up to a LTG	N/A (see Note 2)	Fully Prepared for a Company Group	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Command, Control and Intelligence	Fully Prepared	Substantially Prepared	Substantially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• Up to a LTG	N/A (see Note 2)	Fully Prepared for a Company Group	Fully Prepared
or			
• Up to a CATG	N/A (see Note 2)	Partially Prepared for a Battalion Group	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Command, Control and Intelligence	Fully Prepared	Substantially Prepared	Substantially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• Up to a LTG	N/A (see Note 2)	Fully Prepared for a Company Group	Substantially Prepared
or			
• Up to a CATG	N/A (see Note 2)	Partially Prepared for a Battalion Group	Substantially Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Inter-State conflict (EC 4F)</i>			
Command, Control and Intelligence	Partially Prepared	Partially Prepared	Partially Prepared
Manoeuvre Elements (Light Infantry and Motorised):			
• Up to a CATG	N/A (see Note 2)	Not Prepared for a Battalion Group	Substantially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>			
Command, Control and Intelligence	Fully Prepared	Partially Prepared	Substantially Prepared
Manoeuvre Elements (Infantry and Reconnaissance):			
• Up to a CATG	N/A (see Note 2)	Not Prepared for a Battalion Group	Substantially Prepared

Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Note 1 - Definitions of LTG and CATG:

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

Note 2 - Not Applicable (N/A) is recorded against the LTG and the CATG for 2009/10 as these elements, especially in terms of size/strength, were not applicable to that period.

Land Combat Service Support Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	154,182	154,182	154,720
Revenue from Crown	153,141	153,141	153,617
Revenue from Other	1,041	1,041	1,103

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Army, drawing on 2 Logistics Battalion, 3 Logistics Battalion, 2 Health Support Battalion and Logistic Executive, as part of, respectively, 2 LFG, 3 LFG and Army General Staff, with supplementation from the Territorial Force, as required, will provide the initial and rotation combat service support force elements to support, generally, as applicable:			

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<ul style="list-style-type: none"> Up to a LTG for tasks under ECs 1 to 5 (inclusive) or <ul style="list-style-type: none"> Up to a CATG for tasks under ECs 2 to 5 (inclusive) 	Available	Delivered	Available
Army will also provide combat service support elements for simulation and Command Post Exercise-based combined-arms training; this will require supplementation by TF Battalion Groups.	Available	Delivered	Available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Preparedness - Land Combat Service Support Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Transport Elements in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Medical Elements in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Supply Elements in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Repair Elements in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Movements Elements in support of a LTG	Fully prepared	Fully Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>			
Transport Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Medical Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Supply Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Repair Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Movements Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Transport Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Transport Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Fully Prepared
Medical Elements in support of a LTG	Substantially prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Supply Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Repair Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Repair Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Movements Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Fully Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Transport Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Transport Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a LTG	Substantially prepared	Substantially Prepared	Substantially Prepared
Medical Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Supply Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Supply Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Repair Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Repair Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Movements Elements in support of a LTG	Substantially Prepared	Substantially Prepared	Fully Prepared
Movements Elements in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Inter-State conflict (EC 4F)</i>			
Transport Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Medical Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Supply Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Repair Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Movements Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Transport Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Medical Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Supply Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Repair Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Movements Elements in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Land Combat Support Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	207,441	207,441	211,524
Revenue from Crown	205,995	205,995	210,007
Revenue from Other	1,446	1,446	1,517

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Army, drawing on 2 Land Force Group (LFG) and 3 LFG Regular Force artillery, engineer, communications, and military police units [16 Field Regiment, 2 Engineer Regiment, 1 (NZ) Signals Regiment - including an Electronic Warfare element, and 1 (NZ) Military Police Company], and with supplementation from the Territorial Force, as required, will provide the initial and rotation land combat support force elements to support, generally, as applicable:</p> <ul style="list-style-type: none"> Up to a LTG for tasks under ECs 1 to 5 (inclusive) or Up to a CATG for tasks under ECs 2 to 5 (inclusive) 	Available	Delivered	Available
<p>Army will also provide artillery, engineer, communications and military police force elements for simulation and Command Post Exercise-based combined-arms training; this will require supplementation from the Territorial Force.</p>	Available	Delivered	Available
<p>Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).</p>	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Preparedness - Land Combat Support Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Field Artillery (personnel only) - in support of a LTG for Cordon Duties)	Fully Prepared	Fully Prepared	Fully Prepared
Engineers in support of a LTG	Fully Prepared	Substantially Prepared	Fully Prepared
Communications in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Military Police in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>			
Field Artillery (personnel only) - in support of a LTG for Cordon Duties)	Fully Prepared	Fully Prepared	Fully Prepared
Engineers in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
Communications in support of a LTG	Fully Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of a LTG	Fully Prepared	Fully Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Field Artillery (personnel only) in support of a LTG	Fully Prepared	Substantially Prepared	Fully Prepared
Field Artillery (personnel only) in support of a CATG	Fully Prepared	Substantially Prepared	Fully prepared
Engineers in support of a LTG	Fully prepared	Fully Prepared	Fully Prepared
Engineers in support of a CATG	Substantially Prepared	Fully Prepared	Fully Prepared
Communications in support of a LTG	Fully Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of LTG	Fully Prepared	Fully Prepared	Fully Prepared
Military Police in support of a CATG	Fully Prepared	Fully Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Field Artillery (personnel only) in support of a LTG	Fully Prepared	Substantially Prepared	Fully Prepared
Field Artillery in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a LTG	Fully Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a LTG	Fully Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of LTG	Fully Prepared	Fully Prepared	Fully Prepared
Military Police in support of a CATG	Substantially Prepared	Fully Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Inter-State conflict (EC 4F)</i>			
Field Artillery in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Communications in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Military Police in support of a CATG	Substantially Prepared	Substantially Prepared	Fully Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
Field Artillery in support of a CATG	Substantially Prepared	Substantially Prepared	Substantially Prepared
Engineers in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Communications in support of a CATG	Partially Prepared	Partially Prepared	Partially Prepared
Military Police in support of a CATG	Substantially Prepared	Substantially Prepared	Fully Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Maritime Patrol Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	173,995	173,995	178,708
Revenue from Crown	172,964	172,964	177,689
Revenue from Other	1,031	1,031	1,019

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of P-3K2 Orion aircraft available for military tasks - from a total fleet of six aircraft. The number of P-3K2 Orion aircraft available during 2010/11 (through to 2011/12) will be affected by the rolling programme to upgrade the Orion fleet and will reduce the full capacity of this output expense. The reduced fleet size will have an impact on the duration of any operational deployments and the ability to rotate any such deployments. The requirement to sustain core and Directed Level of Capability (DLOC) training will also affect the nature and extent of tasking that can be undertaken by the fleet during the period.	2 Aircraft	2 Aircraft	2 Aircraft

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of additional P-3K2 Orion aircraft available for maritime Search and Rescue and other emergency tasks, as required.	1 Aircraft	1 Aircraft	1 Aircraft
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total P-3K2 Orion Flying Hours (target range in hours). The total Orion annual flying hours allocation has been adjusted to reflect the reduction in the number of aircraft available and the total number of hours that can be generated and supported by the Orion fleet during FY 2010/11.	2,232 - 2,468	2,323	2,138 - 2,362
Preparedness - Maritime Patrol Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Terrorist and Asymmetric Threats (EC 1D)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>	Fully Prepared	Partially Prepared	Partially Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>	Substantially Prepared	Partially Prepared	Partially Prepared
<i>Inter-State conflict (EC 4F)</i>	Substantially Prepared	Partially Prepared	Partially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>	Substantially Prepared	Partially Prepared	Partially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Military Hydrography, and Hydrographic Data Collection and Processing for LINZ (M22)

Scope of Appropriation

Provision of the capabilities of the hydrographic and oceanographic survey vessel, HMNZS RESOLUTION, specialist personnel and support infrastructure to conduct military hydrography in accordance with NZDF Output Plan specifications, and hydrographic data collection and processing that meets contractual commitments to Land Information New Zealand (LINZ). This output expense is supported by the Hydrographic Business Unit.

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,628	16,628	16,360
Revenue from Crown	10,307	10,307	9,926
Revenue from Other	6,321	6,321	6,434

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
HMNZS RESOLUTION available to conduct military hydrography. The ability for HMNZS RESOLUTION and the Deployable Hydrographic Support Unit (DHSU) to leverage opportunities to help achieve the Ocean Survey 20/20 Vision and also provide Output Expense Mine Countermeasures (MCM) and MCM Diving Forces products (predominantly Q route surveys) will continue to be explored, commensurate with this primary output expense tasking. This Output Expense is being run at a level sufficient to meet commercial (LINZ) and operational requirements, thus allowing the allocation of some personnel for Output Expense Operationally Deployed Forces.	Available	Vessel available	Vessel available
The DHSU available to conduct military hydrography either independently or in support of other NZDF force elements.	Available	DHSU available	DSHU available
HMNZS RESOLUTION available to conduct hydrographic tasks for LINZ under contract. The Hydrographic Business Unit (HBU) available to support the collection and processing programmes.	Available	Vessel and HBU available	Vessel and HBU available

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Deliver LINZ Contract performance standards. The emphasis is on meeting the contract requirements for hydrographic survey to the satisfaction of LINZ and the delivery of hydrographic data that meets international standards. Other measures include: <ul style="list-style-type: none"> formal feedback on "quality" aspects from LINZ completion of the contracted hydrographic programme for LINZ products will be subjected to continual evaluation by the maritime community the provision of hydrographic data through completion of contracted and other programmes delivery within budget. 	Deliver	Delivered	Deliver
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports.	As required	Delivered	As Required
HMNZS RESOLUTION Mission Availability Days / Sea Days for the year:	303 / 31 to 51	287 / 147	217 / 136 to 147
HMNZS RESOLUTION Survey Line Miles in support of the LINZ Contract. (Note: For 2010/11, the performance measure will revert back to sea days.)	4,675	4,545	70 - 90 days
Days of coastal survey tasking completed by DHSU in support of the LINZ contract.	N/A (New measure introduced in 2009/10)	194 days	60 - 80 days
Preparedness - Military Hydrography: Employment Context (only applicable to the Military Hydrography part of this Output Expense)			
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>	Fully Prepared	Partially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>	Substantially Prepared	Partially Prepared	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>	Substantially Prepared	Partially Prepared	Substantially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Military Policy Development, Coordination and Advice (M22)

Scope of Appropriation

Provision of advice to the Minister of Defence on military contributions to New Zealand's foreign policy and military responses to contingencies, in accordance with NZDF Output Plan specifications. This output expense also includes military intelligence, responses to ministerial correspondence, select committee and parliamentary questions, Official Information Act inquiries, and Ombudsmen correspondence.

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,340	14,340	16,334
Revenue from Crown	14,305	14,305	16,299
Revenue from Other	35	35	35

Reasons for Change in Appropriation

This appropriation will increase by \$1.994 million to \$16.334 in 2010/11. This increase is due mainly to a military intelligence initiative met from NZDF resource reprioritisation.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Range of key submissions anticipated as follows:			
• Number of Statutory Reports to Parliament (Statement of Intent and Annual Report).	2	2	2
• Number of Submissions to Cabinet (in conjunction with the Ministry of Defence).	30-50	30	20-40
• Number of Reports and Briefing Papers to Minister (in conjunction with the Ministry of Defence).	350-450	380	350-450
• Numbers of Ministerial Correspondence ("Ministerials").	300-400	350	300-400
• Numbers of Parliamentary Questions (for Written and Oral answer).	350-450	150	200-300
• Numbers of Select Committee Reports.	2-8	4	2-8
• Numbers of Select Committee Questions (Foreign Affairs Defence & Trade, and Finance and Expenditure Committees).	380-480	380	380-480
The supply of individual products, as above, of high quality - defined by the characteristics of quality advice.	Meet	Met	Meet

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
All reports and oral advice will be delivered within the agreed or statutory time frame:			
• Percentage of replies to Ministerials will be provided within 20 days of receipt of request	95%	Greater than 95%	95%
• Percentage of replies to Parliamentary Questions for Written Answer will be provided by due date	95%	Greater than 95%	95%
• Percentage of replies to Parliamentary Questions for Oral Answer will be provided by midday on the day that the reply is due in the House	95%	Greater than 95%	95%
Percentage of the first drafts of all policy papers accepted by the Minister	95%	Greater than 95%	95%
Percentage of other responses accepted without substantive amendment	95%	Greater than 95%	95%
Degree of satisfaction expressed by the Minister, appropriate committee or agency (feedback from those for whom policy products have been produced)	High Satisfaction	High Satisfaction	High Satisfaction

Note 1 - Characteristics of "quality advice":

- **Purpose.** The aims of papers are clearly stated and answers the questions the Minister has raised.
- **Logic.** The assumptions behind the advice are explicit, the argument is logical and supported by facts.
- **Accuracy.** The facts in the paper are accurate and all material facts have been included.
- **Options.** An adequate range of options has been presented and each is assessed for benefits, costs and consequences to the government and the community.
- **Consultation.** Evidence of adequate consultation with interested parties and possible objections to proposals have been identified.
- **Practicality.** The format meets Cabinet Office requirement, the material is effectively and concisely summarised, has short sentences in plain English, and is free from spelling and grammatical errors.

Mine Countermeasures (MCM) and MCM Diving Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Mine Countermeasures (MCM) Forces, HMNZS MANAWANUI, prepared to conduct route surveys and conditioning of selected New Zealand ports, and the provision of the Operational Diving Team prepared to support MCM operations and to conduct independent diving tasks, in accordance with NZDF Output Plan specifications. This output expense also includes some support services to the community.

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	26,491	26,491	24,854
Revenue from Crown	26,268	26,268	24,607
Revenue from Other	223	223	247

Reasons for Change in Appropriation

This appropriation will decrease by \$1.637 million to \$24.854 million for 2010/11. The decrease relates to the decommissioning of HMNZS KAHU and a change in the maintenance plan for HMNZS MANAWANUI.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
MCM Support Vessel (HMNZS MANAWANUI) available for military tasks.	Vessel available	Vessel available	Vessel available
Operational Diving Team (ODT) available for military tasks.	ODT available	ODT available	ODT available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
HMNZS MANAWANUI Mission Availability Days / Sea Days for the year:	234 / 82 to 102	267/157	234 / 136 to 147
HMNZS KAHU Mission Availability Days / Sea Days for the year. (HMNZS KAHU was formally decommissioned on 29 October 2009.)	225 / 88 to 108	138 / 42 (Actual up until time of decommissioning)	(Not applicable)
Operational Diving Team time (range in hours) spent on operational dive training and MCM readiness training in diving techniques for the disposal of mines and other explosive devices. (The diving hours refer to actual time in the water.)	327 to 347 hours	290 hours	327 to 347 hours
Preparedness - Naval Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
HMNZS MANAWANUI	Fully Prepared	Substantially Prepared	Fully Prepared
ODT	Fully Prepared	Partially Prepared	Fully Prepared
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
HMNZS MANAWANUI	Fully Prepared	Substantially Prepared	Fully Prepared
ODT	Fully Prepared	Partially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
HMNZS MANAWANUI	Fully Prepared	Fully Prepared	Fully Prepared
ODT	Fully Prepared	Partially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
HMNZS MANAWANUI	Fully Prepared	Substantially Prepared	Fully Prepared
ODT	Fully Prepared	Partially Prepared	Fully Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
HMNZS MANAWANUI	Substantially Prepared	Substantially Prepared	Substantially Prepared
ODT	Substantially Prepared	Partially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
HMNZS MANAWANUI	Substantially Prepared	Substantially Prepared	Substantially Prepared
ODT	Partially Prepared	Partially Prepared	Partially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>			
HMNZS MANAWANUI	Substantially Prepared	Substantially Prepared	Substantially Prepared
ODT	Substantially Prepared	Partially Prepared	Substantially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Miscellaneous Support Activities MCOA (M22)

Scope of Appropriation

Support to Limited Service Volunteer Scheme

This output class is limited to the conduct of Limited Service Volunteer courses for unemployed or disadvantaged youth, selected by the Ministry of Social Development, to encourage these youth towards employment.

Support to Mutual Assistance Programme (MAP)

This output class is limited to the provision of training, technical advice and resources to the defence forces and law enforcement agencies of participant countries under the Mutual Assistance Programme (MAP), both in New Zealand and in MAP countries.

Support to New Zealand Cadet Forces

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

Support to Service Military Museums

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

Support to Youth Development

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

Explanation for Use of Multi-Class Output Expense Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	21,712	21,712	25,517
Support to Limited Service Volunteer Scheme	1,691	1,691	-
Support to Mutual Assistance Programme (MAP)	2,046	2,046	2,388
Support to New Zealand Cadet Forces	3,586	3,586	3,399
Support to Service Military Museums	7,297	7,297	6,260
Support to Youth Development	7,092	7,092	13,470
Revenue from Crown	14,731	14,731	14,605
Support to Limited Service Volunteer Scheme	666	666	-
Support to Mutual Assistance Programme (MAP)	2,046	2,046	2,388
Support to New Zealand Cadet Forces	3,586	3,586	3,399
Support to Service Military Museums	7,297	7,297	6,260
Support to Youth Development	1,136	1,136	2,558
Revenue from Other	6,981	6,981	10,912
Support to Limited Service Volunteer Scheme	1,025	1,025	-
Support to Mutual Assistance Programme (MAP)	-	-	-
Support to New Zealand Cadet Forces	-	-	-
Support to Service Military Museums	-	-	-
Support to Youth Development	5,956	5,956	10,912

Reasons for Change in Appropriation

This appropriation will increase by \$3.805 million to \$25.517 million in 2010/11.

The increase relates to:

- a decrease of \$1.691 million in Support to Limited Service Volunteer Scheme due to a decision to transfer activities to a new Support to Youth Development appropriation
- an increase of \$342,000 to \$2.388 million in Support to Mutual Assistance Programme (MAP) input costs
- a decrease of \$187,000 to \$3.399 million in Support to Cadet Forces input costs
- a decrease of \$1.037 million to \$6.260 million in Support to Military Museums reflects a technical reallocation of the NZDF capital charge, and
- an increase of \$6.378 million to \$13.470 million for the Support to Youth Development appropriation as a result of a transfer from the Support to Limited Service Volunteer Scheme and new baseline funding.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Generally for this MCOA:</p> <p>Training and administrative support will be provided in accordance with NZDF training quality standards as modified with senior staff from the requesting organisation:</p> <ul style="list-style-type: none"> The degree of satisfaction expressed by the authorities requesting assistance - in accordance with their annual programmes. Regular evaluation of significant issues, the capacity to react to requests for assistance and the provision of adequate support from the limited resources available. 	Satisfied	Delivered	Satisfied
	Deliver	Delivered	Deliver
<p>Support to Mutual Assistance Programme (MAP):</p> <ul style="list-style-type: none"> Range of anticipated training and technical assistance for the MAP. Each activity could include formal training, on-the-job training, specialist advice, attachments, in-country Technical Advisers, Mutual Assistance Training Teams, and exchanges - both in New Zealand and in MAP countries overseas, as applicable. Complete the MAP country programmes and activities - consistent with the MAP policy objectives and outcomes agreed with the participant defence forces or law enforcement agencies (where appropriate), and that are also consistent with NZDF practices. Monitor and analyse MAP activities within each country programme through various processes, including post-activity reports, evaluation of the training outcomes against identified need and feedback from annual talks. 	140 - 180	145	130 - 160
	Deliver	Delivered	Deliver
	Monitor and Analyse	Monitored and Analysed	Monitor and Analyse
<p>Support to New Zealand Cadet Forces (NZCF)</p> <p>General:</p> <p>The NZCF comprises 421 NZCF officers and 3,864 cadets within 101 Cadet Force Units across New Zealand. The personnel figures fluctuate from month to month, especially at the end of the school year. Permanent staff includes 27 Tri-Service, Regular Force training and support staff, and five civilian administrative staff.</p> <ul style="list-style-type: none"> Number of courses conducted for NZCF officers / (representing the number of officer training days). Number of courses conducted for NZCF cadets / (representing the number of cadet training days). (Training days do not include community projects completed at the local level). All courses conducted will meet the requirements of the NZ Qualifications Authority (NZQA) framework, where appropriate. Meet the training, course and exercise objectives of the NZ Cadet Forces. Positive feedback/reports from Area Coordinators, Cadet Unit Commanders and the public and overall evaluation by the Commandant NZCF. 	37 / (3,131)	32 / (2,600)	31 / (2,960)
	41 / (11,213)	43 / (10,600)	48 / (11,447)
	Meet	Met	Meet
	Meet	Met	Meet
	Positive Feedback	Positive Feedback	Positive Feedback

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Support to Youth Development:			
<ul style="list-style-type: none"> Number of Limited Service Volunteer (LSV) Scheme training courses (Auckland, Wellington and Burnham) conducted per year for unemployed and/or disadvantaged youth, each course of six weeks duration, and conducted on behalf of the Ministry of Social Development (MSD). 	5 courses	6 courses at Burnham and 1 in Wellington	16 courses (Increase over 2009/10 reflects the full implementation of the Government-initiated Youth Opportunities Package)
<ul style="list-style-type: none"> Number of trainees (selected by the MSD and between the ages of 17 and 25 years) trained on LSV courses. 	Up to 720 trainees	542 at Burnham and Wellington	Up to 1,875 trainees across the three centres (Auckland, Wellington and Burnham)
<ul style="list-style-type: none"> Number of Service Academies in high schools supported per year in support of the Ministry of Education. 	Not Specified	11 Service Academies	19 Service Academies (Increase over 2009/10 reflects the Government initiated Youth Opportunities Package).
<ul style="list-style-type: none"> Number of youth passing through the Service Academies per year. 	Not Specified	Around 220	Around 380
<ul style="list-style-type: none"> Number of Military-style Activity Camps supported per year in support of the MSD (Child, Youth and Family) under the Government's Fresh Start for Young People programme. 	Not Specified	A Concept Trial Camp was conducted at Te Puna Wai Child, Youth and Family facility near Burnham in September/October 2009. A second trial will be conducted during April 2010	3 Camps will be supported.
<ul style="list-style-type: none"> Number of youth passing through the Military-style Activity Camps per year. 	Not Specified	8 youths attended the first trial camp in the South Island. It is anticipated 10 youths will attend the second trial course	Up to 40 youths per year
<ul style="list-style-type: none"> Total number of NZDF staff (military and civilian) involved in direct support of all Youth Development Schemes over the year. 	37 military and 4 civilian staff	37 and 4, plus 25 recruited during Jan - Jun 10	135 military and 23 civilian staff (8 civilian staff will be NZDF employees and 15 will be provided by MSD)
Support to Service Military Museums:			
<ul style="list-style-type: none"> Maintain current Service Museums at Devonport (Navy), Waiouru (Army), and Wigram (Air Force). 	Maintain	Maintained	Maintain
<ul style="list-style-type: none"> Provide staff, infrastructure and resources to Service Museums to ensure the collection development, collection management and exhibits of New Zealand's significant military history to the people of New Zealand, her Armed Forces and visitors to our nation, to sector best practice. ("Collection Management" includes 'preservation'). 	Provide	Provided	Provide
<ul style="list-style-type: none"> Museum services provided in accordance with the relevant Trust Deeds and the Memorandums of Understanding between each of the Services and the individual museum trust boards. 	Meet	Met	Meet

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<ul style="list-style-type: none"> Each museum is subject to an annual review against Service Museum benchmarks and periodic reviews against the New Zealand Museum Standards Scheme. 	Review	Reviewed	Review
<ul style="list-style-type: none"> Performance assessment will be based on feedback from the individual museum trust boards and NZDF command, 'public satisfaction' surveys, annual and periodic reviews, and the number of military and civilian visitors per financial year. 	Yes	Yes	Yes

Conditions on Use of Appropriation

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

Naval Combat Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	406,876	406,876	398,139
Revenue from Crown	403,420	403,420	394,539
Revenue from Other	3,456	3,456	3,600

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of ANZAC frigates, capable of embarking a Seasprite helicopter as required, available for military tasks (from a total fleet of two ANZAC frigates). (Details on the Seasprite Helicopters are recorded under Output Expense Naval Helicopter Forces).	2 Frigates	1 Frigate only for part of the year (HMNZS TE KAHA was undergoing a Platform Systems Upgrade)	1 Frigate only for part of the year (HMNZS TE MANA will be undergoing a Platform Systems Upgrade)

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The Offshore Patrol Vessels (OPVs) will be available for low-level security challenges in New Zealand or South Pacific waters role once they have been fully accepted into service (mid-2010).			
Deployment Impact: The Naval Combat Forces will not be able to reach a higher performance grading for the higher-end/combat-related tasks (under Employment Contexts 3 - 5) unless the Self Defence Upgrade proceeds. Decisions on this will be included in the Defence Review process.			
Undertake Multi-Agency Operations and Tasks (MAO&T), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details, see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports.	As required	Delivered	As required
HMNZS TE KAHA Mission Availability Days / Sea Days for the year (range in days).	161 / 95 to 115	119 / 92	241 / 140 to 150
HMNZS TE MANA Mission Availability Days / Sea Days for the year (range in days).	115 / 72 to 92	188 / 118	170 / 123 to 133
Preparedness - Naval Combat Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Terrorist and Asymmetric Threats (EC 1D)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>	Substantially Prepared	Partially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>	Substantially Prepared	Partially Prepared	Substantially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>	Substantially Prepared	Partially Prepared	Substantially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Naval Helicopter Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	83,921	83,921	87,939
Revenue from Crown	83,459	83,459	87,484
Revenue from Other	462	462	455

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Number of SH-2G(NZ) Seasprite helicopters available for military tasks - from a total fleet of five Seasprite helicopters. While the priority is availability for Naval Combat Force operations, a Seasprite may not be available within response times for all three vessels (a frigate, an Offshore Patrol Vessel and the Multi-Role Vessel) concurrently. Management of this Output Expense is governed by the RNZAF/RNZN Joint Agreement on Naval Aviation. No 6 Squadron, RNZAF will remain under the full command of the Chief of Air Force. Operational command will be exercised through the Air Component Commander (ACC) and Officer Commanding 485 Wing for shore-based activities. When ships' flights are required to embark, operational command will be assigned by ACC to the Maritime Component Commander (MCC), who will in turn assign operational control to the ship's Commanding Officer. The RNZAF is responsible for the training of RNZN Seasprite helicopter aircrew and the provision and training of Ship's Flights maintenance personnel, for operational employment by the RNZN.	3 Helicopters	3 Helicopters	3 Helicopters
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
In conjunction with the Naval Combat Forces, undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports.	As required	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total Seasprite Air Flying Hours (target range in hours).	1,240 - 1,370	1,182	1,264 - 1,396

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Preparedness - Naval Helicopter Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Terrorist and Asymmetric Threats (EC 1D)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>	Substantially Prepared	Partially Prepared	Partially Prepared
<i>Inter-State conflict (EC 4F)</i>	Substantially Prepared	Partially Prepared	Partially Prepared
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>	Substantially Prepared	Partially Prepared	Partially Prepared

Note 1 - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Naval Patrol Forces (M22)

Scope of Appropriation

Provision of the capabilities of the Offshore and Inshore Patrol Vessels (OPVs, IPVs) prepared for the conduct of maritime operations in support of Multi-Agency Operations and Tasks (MAO&T), and for the security and protection of New Zealand's economic border and EEZ, in accordance with NZDF Output Plan specifications. Once in service the OPVs will also be prepared to conduct sovereignty and resource protection patrol operations in the Southern Ocean, Ross Dependency, South Pacific region and further afield when directed.

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	102,196	102,196	127,452
Revenue from Crown	101,493	101,493	126,657
Revenue from Other	703	703	795

Reasons for Change in Appropriation

This appropriation will increase by \$25.256 million to \$127.452 million in 2010/11. The increase reflects the reflects the introduction into service of the offshore patrol vessels for the Navy and to provide for enhanced Multi-Agency Operations and Tasks.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The OPVs, HMNZ Ships OTAGO and WELLINGTON, with embarked Seasprite or other helicopter/s as required, available for military tasks once fully accepted into service with the Navy. Subject to availability and the Government's requirements, tasking of the OPVs may take place in ECs other than those listed below.	Available	Not available Expect delivery by mid 2010	Both vessels available - once delivered
The IPVs, HMNZ Ships ROTOITI, HAWEA, PUKAKI and TAUPO, available for military tasks. Subject to availability and the Government's requirements, tasking of the IPVs may take place in ECs other than those listed below.	Available	All vessels delivered and available	Four vessels available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1.)	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency. (Where required, other vessels delivered in lieu of the OPVs)	Deliver to the satisfaction of supported department/agency
OPV HMNZS OTAGO Mission Availability / Sea Days for the year:	273 / 93 to 113	Nil - Vessel not fully accepted into service	248 / 137 to 148
OPV HMNZS WELLINGTON Mission Availability / Sea Days for the year:	312 / 3 to 6	Nil - Vessel not fully accepted into service	244 / 136 to 146
IPV HMNZS ROTOITI Mission Availability / Sea Days for the year:	256 / 108 to 128	254 / 95	281 / 135 to 145
IPV HMNZS HAWEA Mission Availability / Sea Days for the year:	226 / 109 to 129	271 / 129	244 / 145 to 155
IPV HMNZS PUKAKI Mission Availability (days) for the year:	272 / 118 to 138	259 / 118	274 / 137 to 147
IPV HMNZS TAUPO Mission Availability (days) for the year:	247 / 103 to 123	259 / 112	269 / 135 to 145
Preparedness - Naval Patrol Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>			
Offshore Patrol Forces	Fully Prepared	Not assessed	Fully Prepared
Inshore Patrol Forces	Fully Prepared	Fully Prepared	Fully Prepared
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Offshore Patrol Forces	Fully Prepared	Not assessed	Fully Prepared
Inshore Patrol Forces	Fully Prepared	Fully Prepared	Fully Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
Offshore Patrol Forces	Fully Prepared	Not assessed	Fully Prepared
Inshore Patrol Forces	Substantially Prepared	Fully Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Offshore Patrol Forces	Substantially Prepared	Not assessed	Substantially Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Offshore Patrol Forces	Substantially Prepared	Not assessed	Substantially Prepared

Naval Support Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	108,386	108,386	106,026
Revenue from Crown	107,528	107,528	105,120
Revenue from Other	858	858	906

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
HMNZS ENDEAVOUR available for military tasks.	Available	Available	Available
HMNZS CANTERBURY, with the capability to embark Seasprite helicopter/s and NH-90 helicopters, as required, once fully accepted into service, available for military tasks. HMNZS CANTERBURY will be capable of embarking four NH-90 medium utility helicopters - to be acquired by the NZDF in 2011/12 - on completion of ship/aircraft integration trials and First of Class Flight Trials (FOCFT).	Available	Partially Available	Available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Both vessels undertake Defence Diplomacy tasks in accordance with NZDF and Government/MFAT requirements. This normally involves ship visits to foreign ports.	As required	Delivered	As required
HMNZS ENDEAVOUR Mission Availability Days / Sea Days for the year:	239 / 141 to 161	247 / 156	183 / 125 to 135
HMNZS CANTERBURY Mission Availability Days / Sea Days for the year:	279 / 135 to 155	270 / 138	239 / 137 to 148
Preparedness - Naval Support Forces: Employment Context			
<i>Security Challenges and Defence Tasks in New Zealand and its environs</i>			
<i>Illegal exploitation of marine resources within the New Zealand EEZ, and other low-level threats to New Zealand territorial sovereignty (EC 1A)</i>			
HMNZS CANTERBURY	Fully Prepared	Substantially Prepared	Substantially Prepared
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
HMNZS ENDEAVOUR	Not applicable	Substantially Prepared	Fully Prepared
HMNZS CANTERBURY	Fully Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the South Pacific</i>			
<i>Natural and manmade disasters (EC 2B)</i>			
HMNZS ENDEAVOUR	Fully Prepared	Substantially Prepared	Fully Prepared
HMNZS CANTERBURY	Fully Prepared by end of 2009	Substantially Prepared	Substantially Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
HMNZS ENDEAVOUR	Fully Prepared	Substantially Prepared	Fully Prepared
HMNZS CANTERBURY	Fully Prepared by end of 2009	Substantially Prepared	Substantially Prepared

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
HMNZS ENDEAVOUR	Fully Prepared	Substantially Prepared	Fully Prepared
HMNZS CANTERBURY	Fully Prepared by end of 2009	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in the Asia-Pacific Region</i>			
<i>Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation (EC 4A)</i>			
HMNZS ENDEAVOUR	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS CANTERBURY	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Inter-State conflict (EC 4F)</i>			
HMNZS ENDEAVOUR	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS CANTERBURY	Substantially Prepared	Substantially Prepared	Substantially Prepared
<i>Security Challenges to New Zealand's Interests in Global Peace and Security</i>			
<i>Terrorist Threats (EC 5D)</i>			
HMNZS ENDEAVOUR	Substantially Prepared	Substantially Prepared	Substantially Prepared
HMNZS CANTERBURY	Substantially Prepared	Substantially Prepared	Substantially Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Operationally Deployed Forces Annual (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	95,626	95,626	78,446
Revenue from Crown	95,041	95,041	77,861
Revenue from Other	585	585	585

Reasons for Change in Appropriation

This appropriation will decrease by \$17.180 million to \$78.446 million for 2010/11. The decrease reflects the impact of both planned draw down and for some missions, that a commitment to continue has yet to be confirmed.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
The performance of NZDF Force Elements deployed on government-approved operational missions is assessed against the following:			
<ul style="list-style-type: none"> Individuals and the Force Element, as applicable, to meet the Operational Level of Capability (OLOC) requirements for the applicable operational mission prior to deployment. 	Meet	Met	Meet
<ul style="list-style-type: none"> Mission tasks, however generated (assigned or implied), are met to the satisfaction of the force commander. 	Meet	Met	Meet
<ul style="list-style-type: none"> Degree of satisfaction of performance on mission is expressed both formally and informally by the Force Commander (United Nations, Coalition, or other), to the New Zealand senior officer on the mission, to visiting NZ politicians (such as the Minister of Defence), to visiting senior NZ officers (such as CDF, Service Chiefs or COMJFNZ), and others. 	Satisfy	Satisfied	Satisfy
<ul style="list-style-type: none"> Timely replacement of individuals, force elements or units when requested, as specified, and as approved by the NZ Government. 	Meet	Met	Meet
<ul style="list-style-type: none"> Maintain the ability to sustain the contributions to deployments in accordance with the government's requirements. 	Maintain	Maintained	Maintain
<ul style="list-style-type: none"> Financial and logistic controls and accountabilities meet the standards required for reliable reporting. 	Meet	Met	Meet
Operational Commitments:			
Maintain the Government-approved deployments / operational commitments (number of personnel deployed), as at 1 April 2010, as shown below.			
The numbers of personnel operationally deployed fluctuate from month to month during the year. These fluctuations result from missions closing and opening, short term deployments, seasonal variations to the numbers involved in specific missions, and so on. It is therefore not particularly relevant to compare the budgeted numbers at the start of the financial year with the estimated numbers at the end of the financial year. However, a year-on-year comparison provides an indicator of the trend of personnel deployed (more or less), but still does not capture short-term deployments that at the start of the year were not known.			
<ul style="list-style-type: none"> OP KORU (Timor Leste) All Task Groups 	155	75	75
<ul style="list-style-type: none"> UNTSO (Middle East) [OP SCORIA] 	8	8	8
<ul style="list-style-type: none"> MFO (Sinai) [OP FARAD] 	26	28	28
<ul style="list-style-type: none"> UNAMI (Iraq) [OP HAVEN, Task Group IRON] 	1	1	1
<ul style="list-style-type: none"> OP ARIKI (Afghanistan) [Task Group CRIB] 	139	130	72

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
• NZ SAS contingent (Afghanistan)	Not Applicable	82	82
• OP ARIKI (Afghanistan) [Task Group KEA]	5	5	5
• OP ARIKI (Tampa, Florida, USA) [Task Group SPEAK]	3	2	2
• OP ARIKI (Afghanistan) [Task Group AFFIRM]	1	1	1
• OP ARIKI (Afghanistan) [Task Group RUA]	2	2	2
• OP ARIKI (Afghanistan) [Task Group MANAAKI]	2	Nil	Nil
• OP ARIKI (Arabian Sea area) [Task Group TROY]	6	5	5
• UNMIS [OP SUDDEN] (Sudan)	3	3	3
• OP RATA II (Solomon Islands)	44	45	45
• UNCMAC (Republic of Korea) [OP MONITOR]	3	3	3
• USCENTCOM Staff Officer	1	1	1
Total NZDF personnel deployed:	399	391	333

Rotary Wing Transport Forces (M22)

Scope of Appropriation

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.

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	129,734	129,734	131,988
Revenue from Crown	129,016	129,016	131,271
Revenue from Other	718	718	717

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<p>Number of UH-1H Iroquois helicopters available for military tasks - from a total fleet of 14 helicopters.</p> <p>The introduction into service of the NH-90 and A-109 helicopter fleets in mid-2011 onwards and the current reduction in the Iroquois fleet will continue to impact on the availability of operationally cleared helicopters for operational deployment; principally as a consequence of a reduction in qualified crews and maintenance personnel. More detail will be provided in the 2011/12 documentation.</p> <p>(The Seasprite naval helicopters are provided under a different Output Expense - Naval Helicopter Forces.)</p>	6 Helicopters	6 Helicopters	6 Helicopters
Number of additional helicopters on standby for rapid response tasks in New Zealand (under EC 1), such as Counter-Terrorist Operations and for Search and Rescue Missions.	2 Helicopters	2 Helicopters	2 Helicopters
<p>A Forward and Tactical Aeromedical Evacuation (AME) element for the support of land operations.</p> <p>(The RNZAF is required to provide forward and tactical Rotary Wing AME services, including responsibility for the provision of AME-qualified personnel and associated AME equipment.)</p>	AME element available	AME element available	AME element available
Undertake MAO&T (Multi-Agency Operations and Tasks), and contribute to a range of services in support of other government departments, the community, and foreign and defence policy objectives when not committed to operations, using the capabilities developed for the operational role. (For details see the section on "Services in Support of the Government and the Community, including MAO&T", in Part 2.1).	Deliver to the satisfaction of supported department/agency	Delivered to the satisfaction of supported department/agency	Deliver to the satisfaction of supported department/agency
Total Iroquois Air Flying Hours (target range in hours).	3,952 - 4,368	4,160	3,477 - 3,843
Preparedness - Rotary Wing Helicopter Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>	Fully Prepared	Fully Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>Natural and manmade disasters (EC 2B)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>	Fully Prepared	Substantially Prepared	Fully Prepared
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>	Fully Prepared	Substantially Prepared	Substantially Prepared
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Inter-State conflict (EC 4F)</i>	Partially Prepared	Not Prepared	Not Prepared
Operational tasks in high threat environments, which are likely to be encountered under ECs 4 and 5, are beyond the current capabilities of the Iroquois helicopter. This situation will not improve until the NH-90 helicopters have been fully introduced into service.			

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i> (See note under EC 4F above)	Partially Prepared	Not Prepared	Not Prepared

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Special Operations Forces (M22)

Scope of Appropriation

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

Expenses and Revenue

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	67,114	67,114	71,251
Revenue from Crown	66,526	66,526	70,656
Revenue from Other	588	588	595

Reasons for Change in Appropriation

This appropriation will increase by \$4.137 million to \$71.251 million in 2010/11. This increase relates to increased input costs for Special Operations Forces.

Output Performance Measures and Standards

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Army, drawing on 1st NZ Special Air Service Group (1 NZ SAS Gp), 1st NZ Explosive Ordnance Disposal (EOD) Squadron (1 NZ EOD Sqn), and Army/NZDF-wide resources, will provide:			
<ul style="list-style-type: none"> The initial and rotation elements of up to a SAS Squadron to conduct special operations in support of land combat operations under Employment Contexts 1 - 5, and to provide elements, as appropriate, in support of a LTG or CATG. 	Available	Delivered	Available

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<ul style="list-style-type: none"> A Counter-Terrorist Group to assist the NZ Police in Counter-Terrorist operations, including Maritime CT, under Employment Contexts 1D and 2D. A CBRE IEDD/EOD organisation of squadron strength which has the ability to provide three IEDD Response Teams (one each based at Auckland, Wellington and Christchurch) and a specialist CBR Response Team to undertake emergency national IEDD/CBRE tasks. <p>CBRE IEDD Organisation - Cabinet approved the formation of an independent and separately funded organisation for the conduct of CBRE IEDD and Explosive Ordnance Disposal (EOD). [CAB Min (05) 27/4 dated 25 Jul 05]. Although CBRE IEDD is a NZDF responsibility directed by Government, Army has been designated the "lead Service". Navy and Air Force will provide trained manpower and specialist support for CBRE IEDD/EOD, as required.</p>	Available	Delivered	Available
<p>Deployment Impacts:</p> <ul style="list-style-type: none"> If a high proportion of the Special Forces capability was deployed on actual operations, any other concurrent contribution from this output would be very limited. This does not, however, affect the ability of the NZDF to continue to fully deliver force elements for the Counter-Terrorist capability. The number of personnel qualified and available to deliver CBRE is currently limited. The deployment of any personnel from this output to Output Expense Operationally Deployed Forces would have a major impact on training and the ability of the NZDF to deliver CBRE. 			
Preparedness - Special Operations Forces: Employment Context			
Security Challenges and Defence Tasks in New Zealand and its environs			
<i>Terrorist and Asymmetric Threats (EC 1D)</i>			
Special Forces	Fully Prepared	Fully prepared (but limited capacity since deployment to Afghanistan)	Fully prepared (but limited capacity until completion of Afghanistan deployment)
Counter-Terrorist Forces	Fully Prepared	Fully Prepared	Fully Prepared
CBRE / IEDD	Fully Prepared	Fully Prepared	Fully Prepared
Security Challenges to New Zealand's Interests in the South Pacific			
<i>State failure or fragility leading to internal conflict and/or humanitarian crisis (EC 2C)</i>			
Special Forces	Fully Prepared	Fully prepared (but limited capacity since deployment to Afghanistan)	Fully prepared (but limited capacity until completion of Afghanistan deployment)

Performance Measures	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
<i>Challenges to legitimate governments, including civil war and secessionist conflict (EC 2E)</i>			
Special Forces	Fully Prepared	Fully prepared (but limited capacity since deployment to Afghanistan)	Fully prepared (but limited capacity until completion of Afghanistan deployment)
Security Challenges to New Zealand's Interests in the Asia-Pacific Region			
<i>Interstate Conflict (EC 4F)</i>			
Special Forces	Fully Prepared	Fully prepared (but limited capacity since deployment to Afghanistan)	Fully prepared (but limited capacity until completion of Afghanistan deployment)
Security Challenges to New Zealand's Interests in Global Peace and Security			
<i>Terrorist Threats (EC 5D)</i>			
Special Forces	Fully Prepared	Fully Prepared (for future rotations to Afghanistan)	Fully Prepared (for future rotations to Afghanistan)

Note - Details of the Key Performance Indicators (KPIs) that underlie the performance standards, the Performance Rating Scale, and Employment Contexts (ECs) are explained earlier in this part.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.1 - Departmental Capital Expenditure

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

	2009/10		2010/11
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	513,717	383,547	569,914
Intangibles	6,283	6,283	3,000
Other	-	-	-
Total Appropriation	520,000	389,830	572,914

Reasons for Change in Appropriation

Capital expenditure costs are unique according to year. This appropriation will recognise a \$183.084 million increase over the final 2009/10 estimate, mainly as a result of payments made to the Ministry of Defence (MoD) for Specialist Military Equipment (SME) purchases.

Expected Results

	2009/10		2010/11
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Improved Military Capability and Infrastructure	\$520 million	\$390 million	\$573 million