TE OPE KĀTUA O AOTEAROA DEFENCE FORCE

Defence Estate and Infrastructure

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

June Month-End FY 2024-2025

Consolidated and Prepared by the DEI Portfolio Management Office

Dry Dock Capstan Replacements, Devonport

Office Accommodation, Linton

New Defence College Lecture Rooms , Burnham

TACTICAL REPORT - SUMMARY

DEI PORTFOLIO DASHBOARD

June 2025

PORTFOLIO SUMMARY

Overall, in the Financial Year 24/25 DEI has had many achievements and has delivered $182M across 152 Capital Projects. This delivery was significantly higher than previous years; FY23/24 of $132M and FY22/23 $98M. These achievements have been supported by improvement initiatives, With the continued support from partners, DEI will continue to focus on improved outcomes, accelerate speed of delivery and decision making, and better value and quality of outcomes for NZDF.

- Defence Estate Regeneration Programme is continuing to raise high risks around the length of time required for Business Case reviews and sign off, which is the cause of the Red status in DERP. There are indications that the process is taking longer than desired, consequently delaying access to funding which impacts Time and Cost. It should be noted that 'Business Case duration' risk was initially raised in November 2023 and is a top DERP risk. DEI had invested some programme resource to identify the cause of the delay with intent to understand the nature of the risk and the plan associated for resolution and mitigation. The two most recent Business Cases have been actioned comparatively more quickly, however given this remains a reported risk the Portfolio Management Office will undertake a deep dive of this issue.

- Programmes resource remains at reduced capacity with some reduced functions. The Programme Management Office acknowledges the risk and there is a short term resource plan to mitigate the current risk using backfill.

- FNB remains Red due to scheduling risk as been past delays in Cabinet approval of the business case. The programme wants to remain at Red until the Programme Business case is agreed by Cabinet s. 9(2)(f)(iv) [redacted]. The Portfolio Office considers the programme to be at Amber/Yellow as currently schedule issues identified causing the red status is not within the control of the Programme and therefore there's no current go-to-green plan to resolve the issue.

- Recently the Government approved a new Defence Capability Plan and the Infrastructure Commission has released its draft National Infrastructure Plan, which endorsed six Defence Infrastructure Programmes, as part of the New Zealand-wide Infrastructure Priorities Programme. This included the building of barracks at Linton, the Future Naval Base design and the next tranche of the Ohakea Infrastructure Programme. These are reflected in a new Defence Estate Portfolio Plan ('DEPP 2025') representing affordable and systematic investments in the "Estate Portfolio" (especially over the next four years).

- NZDF has secured cost pressure funding for Estate maintenance of $26M pa for the next four years, with the possibility to unlock further cost pressure funding in future financial years (as part of the DCP).

- Renewal of the Portfolio Alliance Agreement was approved in principle for another three years with courses of action to future improve the NZDF contribution to the Alliance with measures to improve NZDF practices and values.

- The outcome of the workforce savings programme confirmed the need of the four DEI roles that were proposed to be disestablished/combined; all four roles will be retained and are no longer affected.

Before the end of December 2025, the following business cases are expected to be submitted to Cabinet:

DEI

- Defence Estate Portfolio Plan 2025 - Portfolio Business Case Update - *July 2025*
- Future Naval Base Programme Business Case - *October 2025*
- Accommodation Messing and Dining Modernisation Programme - Detailed Business Case for Linton Pilot - *October 2025*
- Horizontal Infrastructure Programme - Business Case – To increase funding for water, power, ICT and roading infrastructure – *November 2025*
- Ohakea Infrastructure Programme – Detailed Business Case for remaining Tranches 3 & 4 – *TBC 2025*
- Homes for Families – Project Implementation Business Case for Tranche 1 Phase 3 – *TBC 2025*

Non DEI Led

- Modernised Army Capability Training Programme Business Case – *TBC 2025*

DEI PROGRAMME RAYG STATUS

1. DERP - RED

DERP overall status remains Red due to continued project slippage for Business Case Approval timeframes. These issues are likely to continue to impact the programme in FY 25/26. Currently projects over $25M are taking average of 215 days vs 60 days to get approval and projects under $25M are taking an average of 133 days vs 20 days to get approval.

Currently the Programme Management Office (PgMO) has rated resourcing as Red as the team continue to work at reduced capacity with 1.5 FTE Programme Coordinators (from 4 FTE). The Planning Team is operating with reduced capacity of 2 FTE (from 3 FTE).

1.1 Burnham Infrasructure & 1.2 Rolling Replacement - Green

Burnham Infrastructure & Rolling Replacement overall status are Green.

Burnham Infrastructure overall status changed from Yellow to Green as they are back to full resource capacity in the team.

Rolling Replacement remains green as they have successfully initiated urgent ad hoc capital projects through the financial year within its allocable funding. The programme initiated 39 projects with a total value of $5.8M across all nine camps/bases.

3. AMDM - Amber

AMDM overall status has changed from Yellow to Amber due to the timing of the current IQA reviews, their consideration by governance, and subsequent Cabinet report back, which means there is a risk that a Budget 26 bid will not be possible. AMDM is scheduled to go to Cabinet in October 2025.

Note, the Linton Pilot has been given approval through the Infrastructure Priorities Programme as part of the National Infrastructure Plan which listed AMDM as investment ready and able proceed to the next stage.

Programmes		Previous Month Overall	Current Month Overall	Next Month Overall	Scope	Schedule	Budget	Resource	Risk	Issues	Benefits	Quality
1.	DERP - Defence Estate Regeneration Programme	R	R	R	A	R	Y	R	Y	A	Y	G
1.1	Burnham Infrastructure	Y	G	G	G	G	G	G	G	G	G	G
1.2	Rolling Replacement	G	G	G	G	G	G	G	G	G	G	G
2.	Ohakea Infrastructure Programme	R	A	A	G	Y	G	G	A	Y	Y	Y
3.	Accommodation, Messing & Dining Modernisation Programme	Y	A	Y	G	A	G	G	A	G	G	G
4.	Homes for Families Programme	A	A	Y	G	A	Y	G	A	A	G	G
5.	Future Naval Base Programme	R	R	R	G	R	Y	Y	A	R	Y	A

4. Homes for Families - Amber

The Homes for Families Programme overall status remains Amber. The Programme has prepared a Cabinet Paper to proceed with the sale leaseback and approval of the Business Case to drawdown B23 funding and begin construction of the Waiouru homes. The Minster was briefed on the 5 June and the Cabinet Expenditure and Regulatory Review Committee in July 25.

2. Ohakea Infrastructure - Amber

At the May 2025 OIP Board meeting, the RAYG status was rebaselined from Red to Amber following the release of the DCP and the direction of future funding.

The remaining tranches (3 & 4) business case was submitted for assessment by the Infrastructure Commissions Infrastructure Priorities Programme. The programme has been endorsed and recommended to be a priority proposal, with confirmation we are investment ready.

The OIP has been advised there is an opportunity to push for earlier investment under the revised Defence Capability Plan (DCP) in 2027, with indication that the next tranche DBCs in the next 12 months to Cabinet to justify going to investment in B27 or B28. However, the programme team are waiting on formal notification through the DCP 25 on the sequencing of Tranche 3 and 4.

5. Future Naval Base - Amber

FNB remains Red due to scheduling issues. The programme wants to remain at Red until the Programme Business case is agreed by Cabinet in October 2025. In October, the programme will present the findings of an Independent Quality Assurance assessment on previous decisions to remain at Devonport Naval Base and seek approval of the Future Naval Base Programme Business Case. The Portfolio Office considers the programme to be at Amber/ Yellow as currently schedule issues identified causing the red status is not within the control of the Programme and therefore there's no current go-to-green plan to resolve the issue.

Budget has gone from Amber to Yellow as the Future Naval Base has indicative funding of up to $50M for design which has been included in the DCP. DCP funding for this programme is s. 9(2)(f)(iv), s. 9(2)(j) [redacted] for Tranche 1a Design and Enabling Works. Tranche 1a consists of eight initiatives including (planning and design activity for) five capital projects.

TACTICAL REPORT - OPERATIONAL AND ORGANISATIONAL RISKS

June 2025

DEI PORTFOLIO DASHBOARD

Estate and Infrastructure Portfolio Operational and Organisational Risks

Current: Very High Next Month: Very High	Current: Very High Next Month: Very High	Current: Very High Next Month: High	Current: Very High Next Month: Very High	Current: Very High Next Month: Very High	Current: High Next Month: High	Current: Very High Next Month: Very High
RISKS						
Time Required to approve Business Cases and Approval In Principle (AIP) Delays are Impacting programmes schedules across DEI. E.g. Projects being pushed over FYs; schedules being re-done; requirements being reviewed/updated. Resulting in more money needed to be spent on pre-project phase activities.	**Electrical Infrastructure Failure** Burnham - high voltage supply vulnerability, etc. Devonport - shore to ship power supply; montrose boxes corroded; cable reticulation, etc. Trentham – national grid high voltage network failure (cables cross Trentham estate). Waiouru - HV/LV network aged and lack of resilience.	**Delays resulting from sale and leaseback funding requirement** are impacting the Homes for Families programme. NZDF may have to seek alternative funding internally, or let the RFP expire potentially forcing NZDF back to market impacting time and cost.	**Environmental – linked to infrastructure failure** Increased threat to infrastructure and Buildings from extreme weather events; Fire Safety Systems compliance not met across the Estate; Asbestos contamination; Kauri Point - DAD perimeter breaches; and inability to meet Maritime disposal requirements.	**Water infrastructure failure** Burnham - end-of-life potable water network. Devonport, Ohakea, Burnham, Woodbourne - increased failure of potable water pipes. Waiouru - non-compliance potable water / public health incident. National - Firefighting water tanks compromised.	**Fuel Infrastructure Failure** Devonport - F76 NATO Marine Wharf Fuel Line; and Fuel Wharfline Corrosion. Papakura - Inability to refuel vehicles as there is no fuel tank at the camp.	**Estate Infrastructure in General** Kauri Point - armaments storage capacity; significant spalling of KP301 concrete portal columns Devonport - SY65 building closed; Dry dock Liebherr crane broke. Linton - buildings currently vacant being decommissioned without proper inspection. Papakura - buildings not meeting security classifications. Etc.
KEY CONTROLS (CURRENT)						
1. Review of DEI business case pathways. 2. Application to ACCAP to support start Design Gate 3 and procurement early ahead of AIP. 3. Capital Delivery Plan. 4. HDEI's Office review of internal review and approvals process.	1. DEI Unscheduled Maintenance and Planned Maintenance 2.FM subcontractor inspection regime and cyclical maintenance 2. Low voltage standby generators (in some C&B). 3. Reports commissioned power. Surveying assets and predicting future requirements. 4. Energy management tools (BMS), etc.	1. Active management of the situation with contractor. 2. s. 9(2)(j) [redacted] 3. Risk review of Phase 2 (FY24/25) of the programme. 4. s. 9(2)(j) [redacted] 5. Cabinet Decision.	1. Future Naval Base Programme. 2. Planned Maintenance. 3. Guard foot patrol (DAD Perimeter Kauri Point). 4. Asbestos Management Programme. 5. Climate Adaptation Plan. 6. Site wide contamination survey.	1. Planned Maintenance - Devonport South Yard Potable Water Network Remediation. 2. Unscheduled Maintenance - reactive repair work. 3. Compliance with water related regulations across the country. 4. Regular liaison with City Councils 5. Scheduled Maintenance	1. Condition and compliance inspections (Visual and potholing) 2. Direct Current Voltage Gradient (DCVG) Survey of the complete buried sections (identification of any coating/ corrosion failures). 3. Planned Maintenance - repairs and maintenance undertaken has resulted in wharfline certification.:	1. Temporary solution - excess stock currently being stored in DAD WAI and KPT Igloos. 2. Annual safety inspections. 3. Babcock daily rigger inspections. 2. FM providers response. 3. H&S protocols for compromised sites. 3. Reinstate specified systems under a building consent.
DEVELOPMENT ACTIVITIES (FUTURE CONTROLS)						
1. Review of NZDF Governance and Management practices. 2. Development of a new NZDF/ MoD pathway to access DCP funding. 3. Alliance Management Team request to review of business cases and designing process.	1. Camps and Bases, DEI, FM providers and key suppliers Business Continuity Plans. 2. Standard Operational Procedures (0316 Power Outage) 2. Uninterruptable Power Supply. 3. Increase number of backup power (emergency generator) 4.Security monitor wiring. 5. Annual inspect of the Utilities boards using thermal Imaging.	1. Budget 25. 2. Defence Capability Plan 25. 3. Defence Estate Portfolio Plan 25.	1. Project to construct temporary containerized storage facilities (for places impacted by severe weather). 2. Geotechnical investigation during project design phases.	1. Planned Maintenance - bid to prioritise preventative pipework replacement in response to multiple DNB SY water-main failures. 2. Maintenance and routine inspections. 3. Rainwater collection tanks. 4. Water abstraction project	1. Business Continuity Plans. 2. Standard Operational Procedure. 3. Maintenance and routine inspections. 4. Compliance with hazardous substance	1. Planned and Unscheduled Maintenance FY 25. 2. Capital Delivery Plan 25. 3. Defence Capability Plan 25. 4. Defence Estate Portfolio Plan 25.
ASSURANCE ACTIVITIES (MONITORING)						
1. DEI Business Case Pathways 2. Standard Operational Procedure. 3. Compliance with the Treasury BBC. 4. Compliance with Defence Capability Plan directions. 5. Defence Estate Portfolio Plan.	1. Surveys and reports produced by the Assets & Environment teams. 2. Prioritisation of investments taking into consideration asset condition information. 3. compliance with ISO 55000 and CO (23) 9 requirements, etc.	1. Proactive engagement with Defence Commercial Services. 2. Compliance with Defence Capability Plan directions. 3.Defence Estate Portfolio Plan.	1. Surveys and reports produced by the Assets & Environment teams. 2. Prioritisation of investments taking into consideration asset condition information. 3. compliance with ISO 55000 and CO (23) 9 requirements, etc.	1. Surveys and reports produced by the Assets & Environment teams. 2. Prioritisation of investments taking into consideration asset condition information. 3. compliance with ISO 55000 and CO (23) 9 requirements, etc.	1. Reports produced by the Assets & Environment teams. 2. Compliance with Hazardous Substance Regulations (H&S at Work / WorkSafe. 3. Prioritisation of investments taking into consideration asset condition information. Etc.	1. Reports produced by the Assets & Environment teams. 2. NAVOSH audits 3. Compliance with building consent requirements. 4. DEI Health and Safety systems and processes. 5. National Infrastructure Plan – Infrastructure Priorities Plan, etc.

Low	Unlikely to require further treatment
Medium	Further treatment may be required where practicable
High	Further treatment required to be identified as a matter of priority
Very High	Further treatment required to as a matter of priority

TACTICAL REPORT - FINANCE & BENEFITS

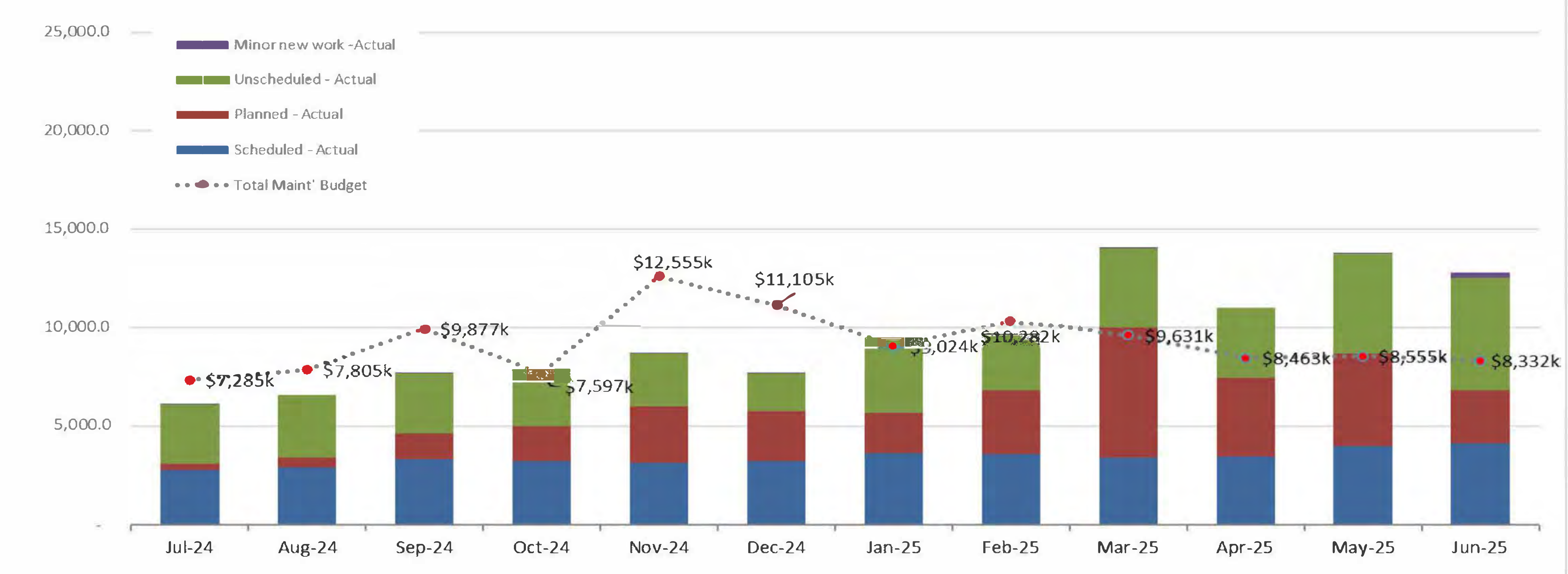
DEI PORTFOLIO DASHBOARD

June 2025

MAINTENANCE EXPENDITURE

DEI Maintenance 24/25 financial year end is reporting an overspend of $4.7M (actuals of $115.2M against budget of $110.5M). This overspend was planned and offset by underspend in other operating expenditure. (The 'end of the year' operating balance for DEI, which maintenance is part of, is $1.1M underspend overall.)

Figure 3 - DEI All Maintenance - Actual spend v's Budget



FY24/25 ACHIEVEMENT SUMMARY

Please see Appendix A for further FY DEI Achievements

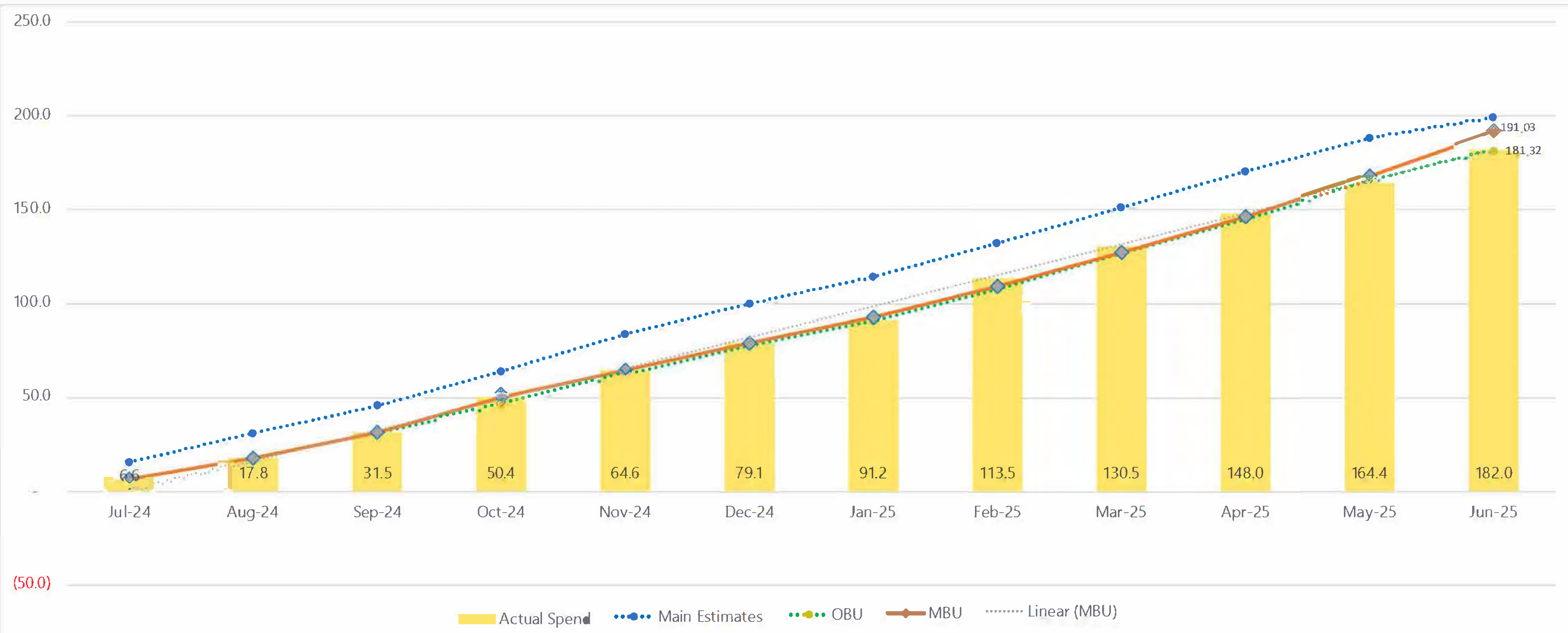
Practical Construction Completion Snapshot:
- Devonport Dry Dock Capstan Replacement
- Burnham Defence College Lecture Rooms
- Devonport Waste Water Treatment Plant Replacement
- Linton Office Accommodation
- Papakura Junior Ranks Accommodation

Budget and Business Cases:
- Input to Defence Capability Plan
- Defence Estate Portfolio Plan (DEPP) delivered to the Associate Minister of Defence
- Homes for Families Programme Tranche 1 advanced and new housing procured in Burnham, Linton, Bulls and Waiouru, and leasing for new homes in Auckland
- Future Naval Base Programme Business Case completed and endorsed by NZDF.
- Six projects endorsed as being national priorities through the Infrastructure Commission Infrastructure Priorities Programme
- Purchase of strategic properties in Devonport and Ohakea

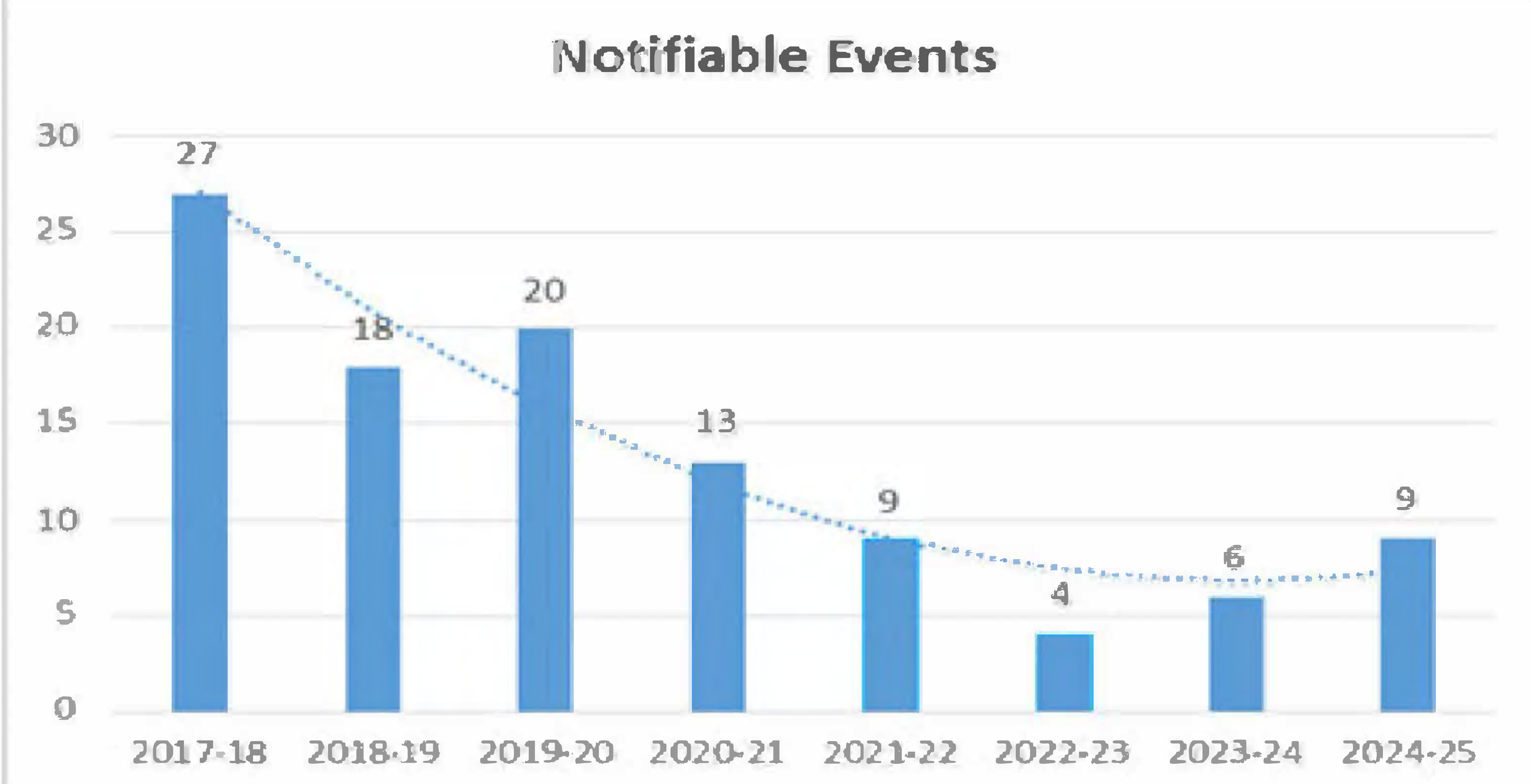
Estate Portfolio Improvements:
- Developing tolerances for DERP and Homes for Families Programme to be implemented FY25/26
- Redefining a Defence Estate Portfolio (DEP) to support better management and governance of Estate Programmes
- Renewing Alliance agreement for additional 3 years including contributing to uplifting NZDF
- Self-Service data tools have enabled DEI staff to directly update data in ArcGIS Online increasing the quality and completeness of asset data
- The Buildings Asset Management Information System, SPM Assets, is being initially configured for Linton with plans to roll out nationally in FY25/26
- Embedded a DEI Change Management Function which has supported 13 Projects and Programmes with Change Management
- Initiated an Asset Management Competency Uplift Training Programme across DEI
- Undertaken a number of initiatives to support costs savings (e.g. decommissioning consents for Burnham waste water project) and future proofing supply Linton electricity, water and waste water; Burnham, Woodbourne and Waiouru fuel supply)

CAPITAL EXPENDITURE

DEI Capital 24/25 financial year end is reporting an underspend of $9M with an actual spend of $182M (against $191M) across 152 capital projects. DEI achieved a great result as it was the only Portfolio which met the capital variance target of actuals being within 5% of March Baseline Update (MBU) forecast and 8% against Mains. This financial year was the highest level of activity spend over the last three financials years with $182M in FY24/25, $132M in FY23/24 of and $98M in FY22/23.



HEALTH & SAFETY



DEI Health & Safety (H&S) graph showing the trend of H&S events that are/were notifiable to WorkSafe NZ (2017-2025)

We have had nine notifiable H&S events for the 2024/25 financial year.

This is a substantial increase from where we were two years ago, but is proportionate to the level of activity on camps and bases.

About the notifiable events:

- Over the past two years we have had a small number of H&S incidents that could have resulted in fatalities, but thankfully did not
- Six of the nine notifiable events were not related to permittable work, but rather ordinary day-to-day tasks that went wrong
- The cause of the incidents remain consistent through years, and are largely due to lack of attention to detail, urgency due to workload or rushing, and in some cases complacency.

TACTICAL REPORT - QUARTERLY RISK PROFILE

DEI PORTFOLIO DASHBOARD

June 2025

TE OPE KĀTUA O AOTEAROA DEFENCE FORCE

Defence Estate and Infrastructure (DEI) RISK PROFILE REPORT – Jun 2025

Previous report Mar 2025, next update Sep 2025

Maturity People, processes and tools are available and sufficiently mature to successfully deliver infrastructure investments.	**Delivery** A fit for purpose Estate and Infrastructure is delivered to NZDF as expected by government.	**Confidence** NZDF, Treasury and Ministers have confidence in DEI's ability to deliver and manage its portfolio.	**Affordability** DEI remains within indicative funding envelope set by DERP 2019.	**Coherence** DEI capability coherence is maintained to levels that ensure ability to deliver on Estate capital and maintenance expectations.
		NZDF Risk Appetite		
Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	**Cautious** Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	**Minimal** Our overall philosophy for risk taking is extremely conservative. We will only put this at risk if essential, and the possibility of failure is limited.	**Flexible** Our overall philosophy for risk taking is to take strongly justified risk. We will only put this at risk if we can manage the impacts.	**Cautious** Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.
		Indicators and RAYG Status		
DEI people, processes and tools are increasing the speed of project progress. Last: Medium; Current: Medium; 6mth Forecast: High	Increased delivery against budget and schedules of projects prioritised from asset information th Forecast: [illegible]	Feedback on key investment decisions and a secured construction funding pipeline. Last: Medium; Current: Medium; 6mth Forecast: Medium	Development of Programme budget tolerances, delegations and contingencies. th Forecast: [illegible]	The quantity of changes or deviations from approved construction and maintenance plans. Last: Medium; Current: Medium; 6mth Forecast: Medium
		Current Commentary and Treatment		
• The 2025 CO (23) 9 Asset Management attestation is being finalised, currently DEI is reporting one non-compliant area (out of 16) – the integration of DEI's approach to asset management with other frameworks and functions. Work is underway on a number of initiatives to address the identified issues. • The Defence Estate Portfolio Plan (DEPP) outlines the long-term investment required in the Defence Estate. It has been updated and will be submitted for Cabinet approval in July 2025. • Delays on completion of the Workforce Savings Programme are impacting morale across NZDF. Anticipated outcomes includes loss of institutional knowledge, reduction in productivity, and reputational damage. • With the Alliance Agreement being due for renewal in Oct 25, NZDF has conducted a review of the Alliance Agreement and concluded it is fit for purpose and represents value for money. There is courses of action to future improve the NZDF contribution to the Alliance with measures to improve NZDF practices.	• The Estate's Maintenance Programme has a $514 million backlog of identified but unfunded maintenance initiatives. Through a cost pressure bid, Defence Infrastructure has been granted $26M over the next four years however, that is not sufficient to meet the Estate demands. • The Modernising Army Training Capability Programme (former Plan Mere) is being formally established with its programme mandate approved by the Capability Management Board. The development of the strategic assessment and business case will be funded by Army. • 70% of horizontal infrastructure is at end of life or maximum capacity and unable to support delivery of new vertical assets, projects are exceeding budget s as they absorb these costs. • Continued deferral of horizontal infrastructure through re-prioritisation and budget constraints increasing risk of failure.	• SPAB agreed to renew the DEI Alliance Agreement for a further three years. This decision minimises risk by providing continuity of support across DEI. • The Defence Estate Portfolio Plan (DEPP) was reviewed in Sep 2024 achieving an Amber/Red confidence assessment outcome. Following an Assurance Action Plan, a new review was completed in May 2025 and the Plan has now achieved an improved Amber/Green level of confidence. • As part of the National Infrastructure Plan, five programmes & DEPP have been given approval through the Infrastructure Priorities Programme to proceed to the next stage. AMDM and OIP were regarded as investment ready. • The Sustainable Infrastructure Standards (SIS) V2 as an alternative Building Rating System to Green Star has been approved by MBIE and officially launched. Government however is not mandating use of Green Star.	• The Defence Capability Plan 25 and the Defence Estate Portfolio Plan are both deemed affordable as both rely on the same funding model that includes future Budgets and Cabinet approvals for individual business cases. This approach allows for ongoing assessment and prioritisation of investments within the overall financial framework. • The Estate Capital budget funded by depreciation for 25/26 has been confirmed as $120M (no increase from previous year allocation). This amount is far below the $300M to $400M required per annum to deliver fit for purpose and sustainable infrastructure for NZDF as specified in the Defence Estate Portfolio Plan (DEPP) 25. • The Ohakea Infrastructure Programme (OIP) and remaining tranches, and Horizontal Infrastructure have been deferred for Cabinet consideration to late 2025.	• DEI and Capability Branch have agreed a MOU based on the DEI Alliance professional services approach for the Capability projects PRICIE infrastructure elements. Projects will now have access to design standards and whole of life costing approach developed by DEI Alliance, which will improving integration of new infrastructure into DEI systems. • The impact of the Workforce Savings Programme's outcomes on civilian functions across DEI that support delivery of the DERP, coupled with the high reliance on people networks within NZDF. • DEI (and other services that support delivery of DERP) potentially facing further organisational changes / disruption in the new financial year with relocation of major functions.
		Evidence & Measures		
• DEI Alliance KRAs. • Improvements in Business Case methodology. • Procurement using multiple accepted methods. • FM Providers KRAs. • CO (23) 9 Asset Management Attestation	• Promulgation of PMP projects and ongoing tracking and reporting of progress against plan to all stakeholders. • Metrics demonstrating greater accuracy of costs and estimates through the project life cycle. Compare AIP / ATI to ACF and final costs.	• All documentation reflects government policy. • Annual report on progress of the DERP, to reflect benefit realisation. • A monthly portfolio report delivered to governance requirements. • Maintenance of strong engagement with iwi.	• Engagement with Ministers, Ministry of Defence and the Treasury. • Ministers well informed. • Organisational flexibility (agility to re-plan). • Active monitoring of legislation changes. • Cabinet approval of HfF and FNB funding in budget 25.	• Regular refresh of camps and bases master plans. • Business Continuity Plan execution and reporting on lessons identified. • Application of PRICIE on CapBr linked programmes. • FNB Programme Business Case

TACTICAL REPORT - FY24/25 ACHIEVEMENTS

DEI PORTFOLIO DASHBOARD - APPENDIX A

June 2025

Please note the achievements captured below are only a snapshot of DEI's Achievements this past Financial Year 24/25

DELIVERY

FY24/25 Practical Completion:
An impressive **24** capital projects that achieved practical completion compared to 5 projects last FY 23/24.

Some of the achieved practical completion projects:
- Devonport Dry Dock Capstan Replacement
- - Burnham Defence College Lecture Rooms
- - Devonport Waste Water Treatment Plant Replacement
- - Linton Office Accommodation
- - Papakura Junior Ranks Accommodation

Capital Programme:
DERP Programme achieved an outstanding actual spend of $120M in FY24/25, tracking $5.21M (4.53%) above the current FY 24/25 MBU Forecast of $114.88M. The actuals also exceeded the FY 24/25 PlanView Forecast by $2.08M (1.77%).
This is a significant achievement for everyone involved in our capital programme and successfully meeting our target of keeping the variance under <5%. These results are a testament to the outstanding efforts of our dedicated Delivery Team.

Planned Maintenance Programme (OpEx):
PMP achieved an actual spend of $21,837,500 in FY24/25, tracking an impressive 1% above the planned $21,949,288.
The strong results were driven by the perseverance of the Camps and Bases, along with their consistent use of the PMP Tracking Sheets. Although updates to our financial system were unavailable from the start of the Financial year, the ongoing minimal variances in the Tracking Sheets built trust in our data and enabled us to respond confidently when queried about how we were going to land.

Rolling Replacement Programme:
RRP FY24/25 achieved an actual spend of $8.3M. This is a 118% uplift in delivery and spend compared to FY23/24 which had a spend of $3.8M. RRP FY 24/25 Actual expenditure was 3.6% under MBU forecast.
The programme successfully initiated 39 projects with a total value of $5.8M across all nine camps/bases.

STRATEGY

- Input to Defence Capability Plan
- Defence Estate Portfolio Plan delivered to the Associate Minister of Defence
- Six projects endorsed as being national priorities through the Infrastructure Commission Infrastructure Priorities Programme
- Completion of the Defence Estate Climate Change Adaptation Plans
- Purchase of strategic properties in Devonport and Ohakea
- Homes for Families Programme Tranche 1 advanced and new housing procured in Burnham, Linton, Bulls and Waiouru. And leasing for new homes in Auckland. A successful budget initiative.
- Future Naval Base Programme Business Case completed and endorsed by NZDF.
- Master Plan completed for Devonport Naval Base
- Accommodation Messing and Dining Modernisation Linton Pilot endorsed by Cabinet and IQA review completed.
- Leasing of property delivered in accordance with budget requirements
- Māori Partnership Framework embedded as everyday capability uplift

ALLIANCE

FY25 concluded on a series of positives, ranging from the capital delivery plan achieving its forecast spend target of $120 million to six DEI programs endorsed by the infrastructure commission. It also saw the successful conclusion of AWP5 and the initiation of AWP6 in record time.

The AMT has matured and become more forward focused particularly around improvements of the Alliance as demonstrated by the 14 improvement initiatives.

Alliance had reached another milestone with TOC 2B concluded after achieving a pleasing and assuring audit result. Scopebound TOC'S 2C, 2D, 3B are all in final stages of close out. Five time bound TOC'S are awaiting audit with TOCS 5A and 5E targeting closure mid-August which will be a record achievement.

PERFORMANCE

DEI
- Agreement to the renewal of the portfolio alliance agreement in principle for another three years with courses of action to future improve the NZDF contribution to the alliance
- Completion of the DEI contribution to the workforce savings, that has seen the decision to not proceed with the business case to increase DEI's capacity and capability to transition more alliance functions to NZDF employees
- Part of the NZDF team to secured cost pressure funding for Estate maintenance of $26M for the next four years and the potential to unlock further cost pressure funding in future financial years (as part of the DCP)

Portfolio Management
- Developing the tolerances for DERP and HfF to be implemented 25/26
- Redefining a Defence Estate Portfolio, which redefined the DERP Portfolio 2019 business case refresh.

Business Improvement
- Housing Escalations project: In depth analysis of Mission Homefront survey submissions - In depth analysis of written Mission Homefront survey submissions relating to NZDF housing, barracks and other infrastructure. Recommendations provided to DEI Leadership Team (LT) to address priority concerns driven by customer dissatisfaction.
- FM Performance Improvement Plan - BHM: Increase collaboration between FM providers and Burnham staff to help resolve operational issues.

Asset Information
- The Planning Viewer has been published in ArcGIS Online which provides a one-stop-shop to view data required for infrastructure planning
- The new Streamlined Capitalisation Process and working group has brought down the WIP in time for EOFY, capitalising over $130M last year
- The Buildings Asset Management Information System, SPM Assets, is being initially configured for Linton with plans to roll out nationally in FY26

Change Management
- Embedded a DEI Change Management Function which has supported 13 Projects and Programmes with Change Management
- Initiated an Asset management Competency Uplift Training Programme

ASSETS & ENVIRONMENT

- Pioneering successful Environment Court decision regarding encroachment at West Melton Range.
- New long term national environmental data management contract tendered via AoG panel and put in place
- Craft Risk Management Plan for biofouling on Navy hulls renewed with Ministry of Primary Industries
- Successful outcome in achieving protection for RNZAF Base Auckland in relation to external development enabled through Auckland Council Plan
- Completion of Asbestos Management surveys reached 55% of eligible NZDF buildings in a 10 year programme

Cost Savings
- Support to DNB dredging work which led to significant cost saving
- Decommissioning consents for Burnham wastewater project achieved $2.4M savings

Future proofing Linton's electricity supply – having identified a future risk around insufficient electricity supplies when new buildings come online, our local Energy Resources Officer has been a key liaison with Powerco for a new area sub-station to be agreed and for planning to commence.

Linton water and wastewater installed capacities Vs future demand study – undertaking the look-head work to identify when and where we need to upgrade this vital infrastructure to ensure that when new buildings come online there is sufficient infrastructure capacity in place for future buildings to be occupied.

Decarbonisation and gas supply risk mitigation studies – 2024/25 we completed the last of the base and camp studies into options to replace gas-fired or other fossil fuelled plant and equipment with alternatives. This work stream started a number of years earlier focussed on moving away from coal (Burnham, Woodbourne and Waiouru) and has more recently looked at the sites reliant on NZ's reducing gas supplies. A whole of portfolio summary has now been drafted that identifies the likely order of costs and potential timeline required to move us off gas.