TE OPE KĀTUA O AOTEAROA DEFENCE FORCE

Defence Estate and Infrastructure

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

September Month-End FY 2025-2026

Consolidated and Prepared by the DEI Portfolio Management Office

Linton Homes for Families project has been marked with a ground breaking ceremony by Minister for Building and Construction and Associate Minister of Defence, the Hon Chris Penk.

New Rehabilitation & Health Centre, Burnham

The Future Facilities Maintenance Project (FFM) Supplier Site Tours commenced in September 25. DEI Waiouru hosted the (FFM) Suppliers with a site tour of Waiouru training base.

TACTICAL REPORT - SUMMARY

DEI PORTFOLIO DASHBOARD

September 2025

PORTFOLIO SUMMARY

The Defence Estate and Infrastructure (DEI) Portfolio has made a strong start to the first quarter of the 2025/26 financial year. Overall portfolio health is currently assessed between Amber and Yellow. This assessment reflects the establishment of our first portfolio baseline, which will serve as a reference point for tracking progress and performance throughout the year.

In August 2025, Cabinet approved the Defence Estate Portfolio Plan 2025–2040 (DEPP 2025), which replaces the Defence Estate Regeneration Portfolio Business Case (DERP) 2019. For more information, please refer to the Finance page.

Also in August, six Defence programmes received formal endorsement from the New Zealand Infrastructure Commission, Te Waihanga. This recognition reflects the success of Defence's continued engagement with the National Infrastructure Priorities Programme (IPP).
The endorsed programmes include:

- AMDM - Linton
- Defence Estate Portfolio Plan (DEPP) 2025
- Future Naval Base
- Homes for Families
- Horizontal Infrastructure
- Ohakea Infrastructure - Remaining Tranches

These endorsements represent a significant milestone in aligning Defence infrastructure initiatives with national priorities and strategic planning frameworks.

On 23 September 2025, the Linton Homes for Families Project was officially launched with a groundbreaking ceremony at the Linton Army Camp Service Housing Area. The event was attended by the Honourable Chris Penk, Minister for Building and Construction and Associate Minister of Defence. Construction is now underway at Linton (8 homes), Bulls (5), and Burnham (10). Additionally, 61 homes at Bayswater are being leased to support Devonport personnel, and Cabinet has approved 50 new homes at Waiouru in July 2025.

As part of a recent review of Defence's governance framework, several enterprise committees have been disestablished, including the Estate Investment Committee (EIC). These have been replaced by the new NZDF Governance Suite. For DEI, this means that matters will now be escalated to three newly established governance bodies: the Organisation Governance Board (OGB) and its subcommittees, the Investment Committee (IVC), and the Planning & Performance Committee (PPC). Further guidance outlining the roles, responsibilities, and requirements of each committee is expected shortly to support alignment and effective engagement across the new governance framework.

Effective 1 December 2025, DEI's reporting line will transition from the Vice Chief of Defence Force (VCDF) to Chief Joint Defence Services (CJDS). This change is part of a broader realignment of reporting structures within the Defence Force.

With the conclusion of the workforce savings period, Defence is now positioned to begin addressing its staffing shortfalls. Within DEI, there are currently 30 vacant positions requiring recruitment. A prioritisation process is underway to determine which roles are most critical to fill first. Recruitment activity is expected to commence in early 2026.

Progress of Projects/Programmes towards Government Submissions

Cabinet Committee Date	Title	Type of Document	Submission Date to the Minsters Office	Tracking on Time Risk
18 November 2025	Future Naval Base	Project Implementation Business Case	Submitted	
18 November 2025	Horizontal Infrastructure	Programme Business Case	21 October 2025	
TBC	Homes for Families Tranche 1 Phase 3	Project Implementation Business Case	TBC March 2026	
TBC	Barrack Modernisation	Detailed Business Case	TBC March 2026	
TBC	Ohakea Infrastructure Programme (OIP) Remaining Tranches	Detailed Business Case	TBC	

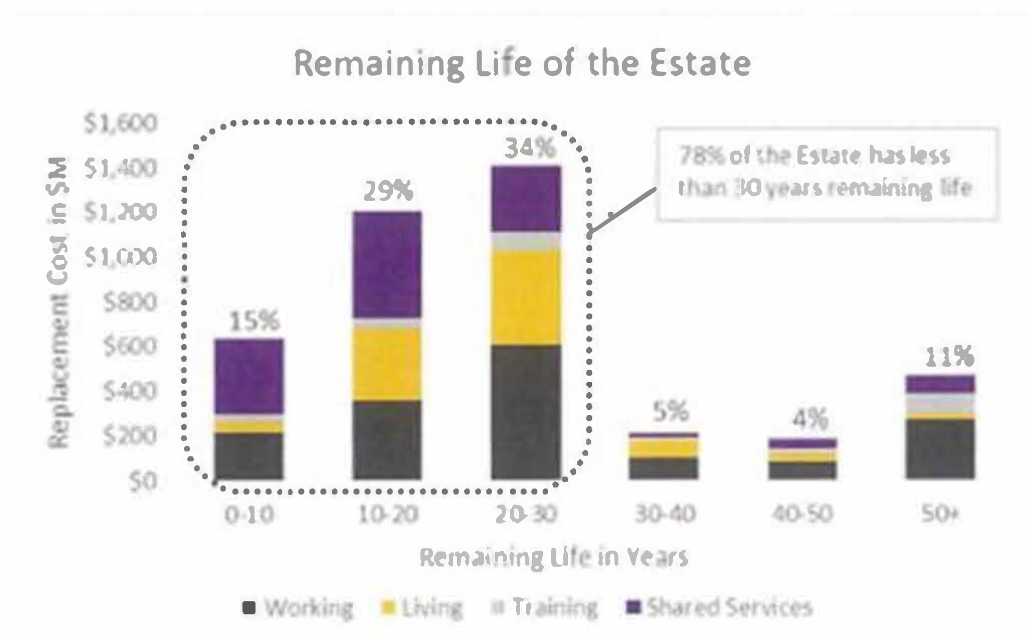
Ministers Office Briefings Date	Title	Type of Document
24 October 2025	Proposed Changes to the Accommodation Messing and Dining Modernisation Project	Submission to Associate Minister of Defence
3 November 2025	Papakura Phase 2 and 3 Barrack Replacement	Submission to Minister of Defence
February 2026	Burnham 2/1 Infantry Regiment Facilities	Submission to Minister of Defence

On Track	At Risk of Being Delayed	Very Likley to be Delayed/ Status Unknown

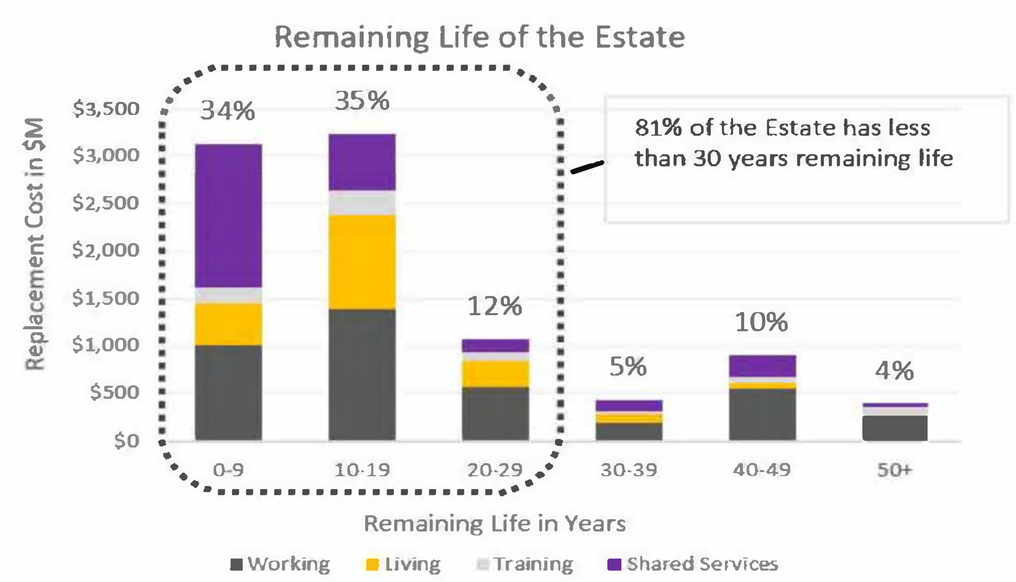
REMAINING LIFE OF DEFENCE ESTATE

The Defence Estate has entered into its critical phase which is impacting the delivery of military outputs and being operational ready, with the majority of assets approaching the end of their economic life. Current analysis indicates that 70% of the Estate will require replacement within the next 20 years, and 81% has less than 30 years of remaining life. This ageing profile is consistent across all core estate categories and highlights the urgent need for targeted reinvestment. Over the past seven years, only 4% of the Estate has been replaced, underscoring the scale of the challenge ahead.

2018



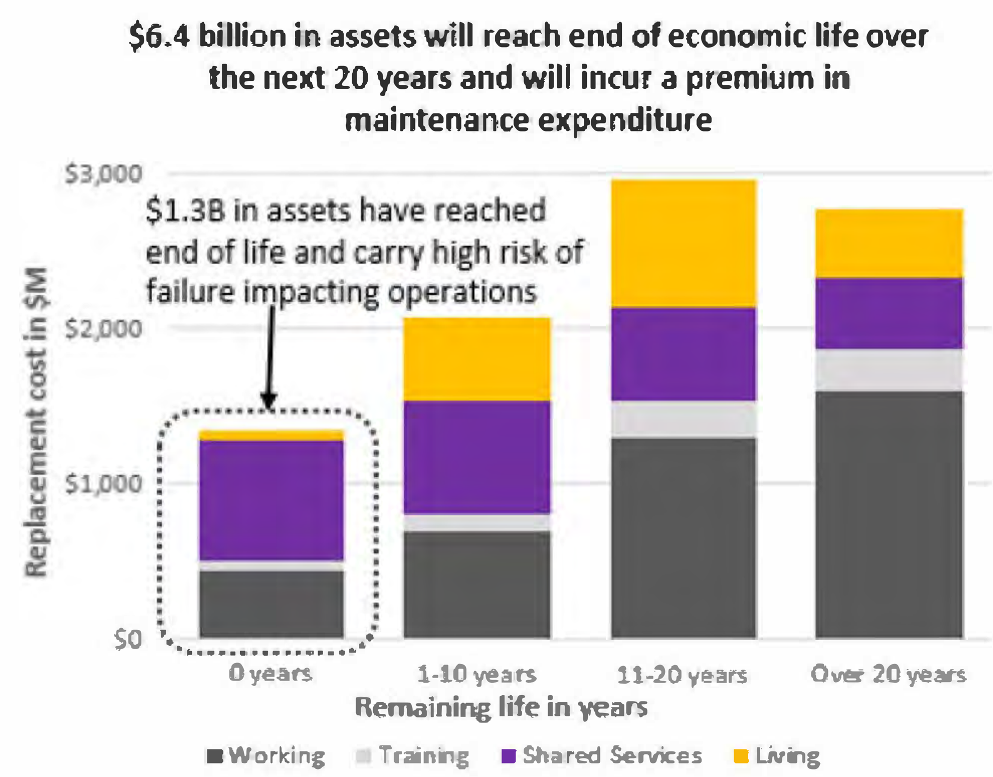
2025



Looking forward, approximately $6.4 billion in assets are projected to reach end of life over the next 20 years. This transition is expected to significantly increase maintenance demands and associated costs. Annual estate investment is estimated at $710 million, comprising $390 million in maintenance and $320 million in capital investment.

This data reinforces the need for a proactive and strategic approach to estate management, balancing short-term risk mitigation with long-term sustainability alongside urgency and rigour. Ensuring that critical assets continue to support Defence's strategic outcomes "Stronger military capabilities" and "A resilient and scalable force" which is paramount.

Cabinet papers acknowledged the deteriorating condition of estate assets and their material impact on the delivery of military outputs. s. 9(2)(g)(i) [redacted]. Without targeted reinvestment the Defence risks, reduced capability delivery, increased maintenance costs, compromised safety and compliance and operational delays and failures.

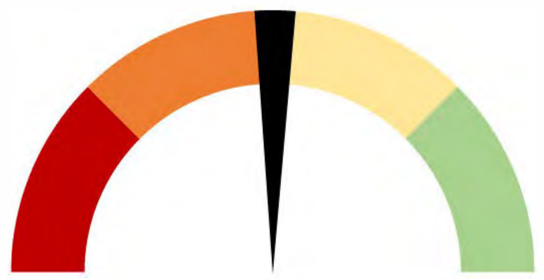


s. 9(2)(g)(i) [redacted]

TACTICAL REPORT - DEI-LEAD PROGRAMMES

DEI PORTFOLIO DASHBOARD

September 2025



Programme Health Status

The DEI programme dashboard outlines the status of DEI-Lead projects and programmes currently in definition and delivery.

Overall programme health is rated between Amber and Yellow, reflecting timing delays across multiple projects. These are primarily due to scope changes, budget overruns, resource constraints, and funding uncertainty across the programmes.

This health rating represents our first established programme baseline and will serve as a key reference point for tracking progress and performance throughout the financial year.

	Programme Name	Overall Status – Previous Month	Overall Status – Current Month	Commentary with next major milestone, QA events, etc	Scope	Schedule	Benefits
DEP Definition	Accommodation Messing & Dining Programme (AMDM)	A	A	Review of AMDM delivery options complete; recommends 3 year investment across 5 camps and bases. Proposal goes to Investment Committee in Nov 2025. Detailed Business ase (DBC) underway to support B26 bid for year one.	A	A	G
	Homes for Families Programme (HfF) - Phase 3 & 4	Y	Y	HfF Board advises limiting scopes to new builds; formal confirmation expected on 22 Oct board meeting with Whole of Life costing assessment . SSLBC Part 3 under NZDF review; Part 4 still in draft. Tranche 2 DBC development underway, focusing on Strategic Case.	G	Y	G
	Future Naval Base Programme (FNB)	A	A	Terms of Reference and Tolerances updated; endorsement scheduled at next Board meeting. Revised Cabinet Paper due for EXP Committee on 18 Nov 2025.	G	A	Y

	Programme Name	Overall Status – Previous Month	Overall Status – Current Month	Commentary with next major milestone, QA events, etc	Scope	Schedule	Benefits	Budget	Resource	Risk	Issues	Quality	Programme Tolerance Decisions
DEP Delivery	Defence Estate Regeneration Programme (DERP)	R	R	DERP remains red due to budget, time, and resourcing issues. Six projects forecast cost overruns; some may require additional funding, risking over-allocation of the Capital Delivery Plan.	A	R	Y	A	R	A	R	G	N/A
	Burnham Infrastructure Workstream (BHW)	G	G	Workstream progressing well. Stage 1 of Energy Centre Upgrade on track for Oct 2025 completion. Potable water system upgrade also scheduled for Oct 2025.	G	G	G	G	G	G	G	G	N/A
	Rolling Replacement Workstream (RRW)	G	G	Workstream has sufficient funds to continue initiations until FY25/26 approvals. RRW ATI is drafted and under review. RRW is escalating a minute to DERPB to define a new sub-programme, enabling future urgent small capital projects.	G	G	G	G	G	G	G	G	N/A
	Ohakea Infrastructure Programme (OIP)	A	A	OIP improved to Amber last quarter. Tranche 1: Construction complete; closeout progressing. Tranche 2: 96.6% complete. Tranches 3 & 4: DBC awaiting direction. Bund test failed; remediation underway with expected delays and cost impacts.	G	Y	Y	G	G	A	A	Y	N/A
	Homes for Families Programme - Phase 1 & 2	Y	Y	Delivery is accelerating at Pilot 13 and Burnham. Construction is underway, with completion expected mid-2026. Recruitment is in progress for 3 analysts and 2 coordinators.	G	G	G	G	Y	G	G	G	N/A
	Future Naval Base Programme - Tranche 1a	G	Y	Project Brief development is on track for 1 Nov submission. Approval to Initiate minute has been endorsed.	G	G	G	G	Y	Y	G	G	N/A

Status Commentary for Programmes that have Red RAYG Indicators in any area

Programme Name	RAYG	Area	Commentary and Get to Green Plan
Future Naval Base Programme - Definition	R	Overall	Portfolio team amended RAYG to Amber, but programme remains Red due to funding uncertainty, ongoing issues, and the need to review the base location decision. RAYG status will remain Red until Cabinet endorsement.
Defence Estate Regeneration Programme	R	Schedule	RAYG status remains Red due to projects unable or unlikely to commit Construction ACF funds within the allocated year. This has caused over-allocation in the Capital Delivery Plan, delaying nine projects beyond their original funding year.
Defence Estate Regeneration Programme	R	Resource	The DERP team is at full capacity with key vacancies still to be filled, leading to prioritisation of projects and reduced reporting. To avoid further strain in 2025/26, Planning Team resourcing must be prioritised. A resource levelling plan will be developed as part of a Q2 resourcing analysis initiative.
Defence Estate Regeneration Programme	R	Issues	Programme progress is hindered by ongoing schedule and resourcing issues. Mitigations under the Better Capital Planning Initiative include: a CPDF Business Case Pathway review to improve the DG3 AIP process, and resource allocation for Capital Delivery Programmes.

Status Commentary for Programmes that have changes on Overall Previous to Current Month RAYG Indicators

Programme Name	Previous Month	Current Month	Commentary
Future Naval Base Programme - Tranche 1a	G	Y	The RAYG status has risen due to funding uncertainties and delivery risks. Site initiation depends on alignment with DERP, PMP, MFR, and related programmes. Recruitment submissions are delayed pending a supporting Minute, which is in progress.

TACTICAL REPORT - FINANCE

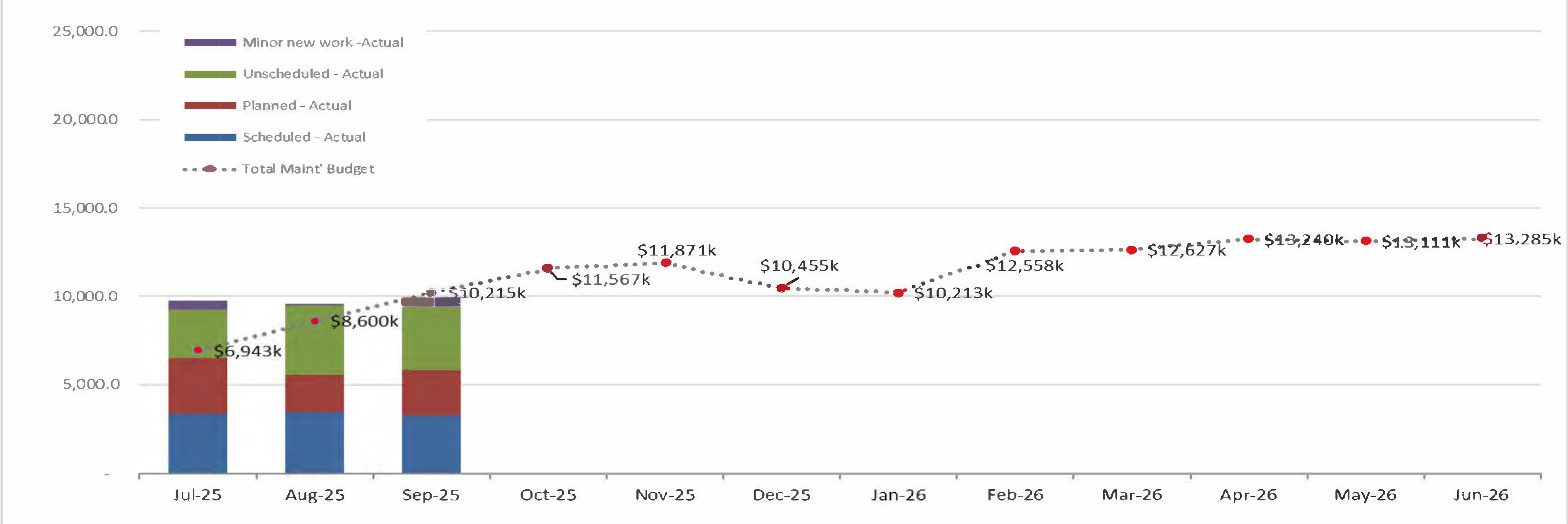
DEI PORTFOLIO DASHBOARD

September 2025

MAINTENANCE EXPENDITURE

As at September 2025 year to date, DEI Maintenance is reporting an underspend of $0.30M. This variance is primarily attributed to timing differences, with project expenditure and associated tasks being committed and occurring across different months. This contrasts with overspends of $2.8M in July and $0.95 million in August, which were largely driven by carry over costs from the 2024/25 financial year. These overspends resulted from delayed invoicing, budget phasing issues, additional works undertaken, and several jobs with high expenditures.

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



DEFENCE ESTATE PORTFOLIO PLAN 2025-40 (DEPP)

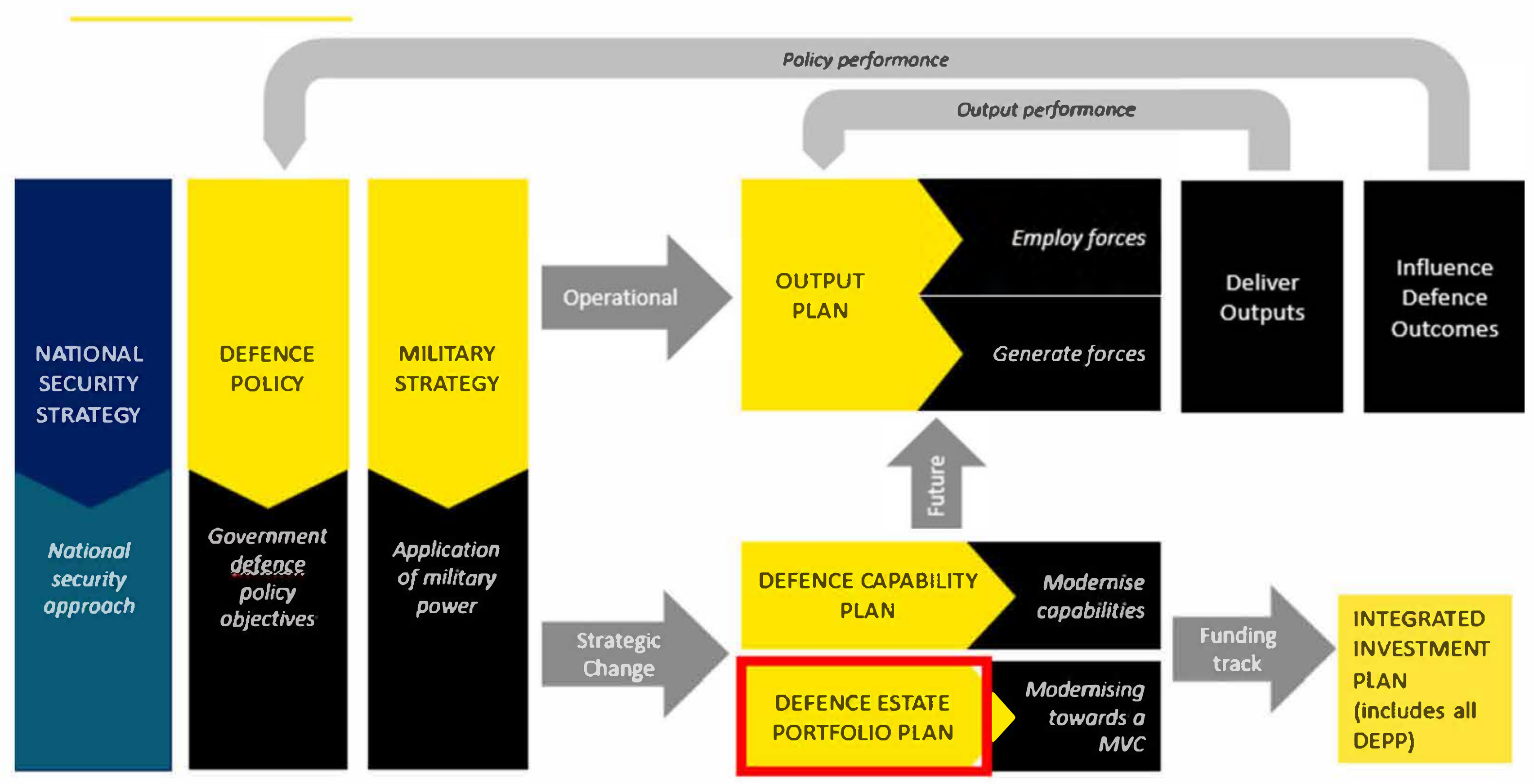
DEPP was approved by Cabinet in August 2025.

The DEPP implements the Defence Capability Plan 2025, provides a 15-year plan that replaces the DERP 2019 with a focus on the next four years.

DEPP 2025 serves as a reference for plans, policies, governance papers and boards, and is aligned as closely as practicable with DCP 2025. It is not funded and still requires the completion of business cases. Although DEPP covers 2025–2040, it is not fixed to 2040; programmes, workstreams, circumstances and priorities are expected to change.

The DEPP establishes the portfolio structure, with individual programmes (HfF, FNB, AMDM, OIP, DERP and PMP (MATC in development) with workstreams (HIP, Rolling Replacement) and sequence for business case submissions to Cabinet.

DEPP in NZDF context



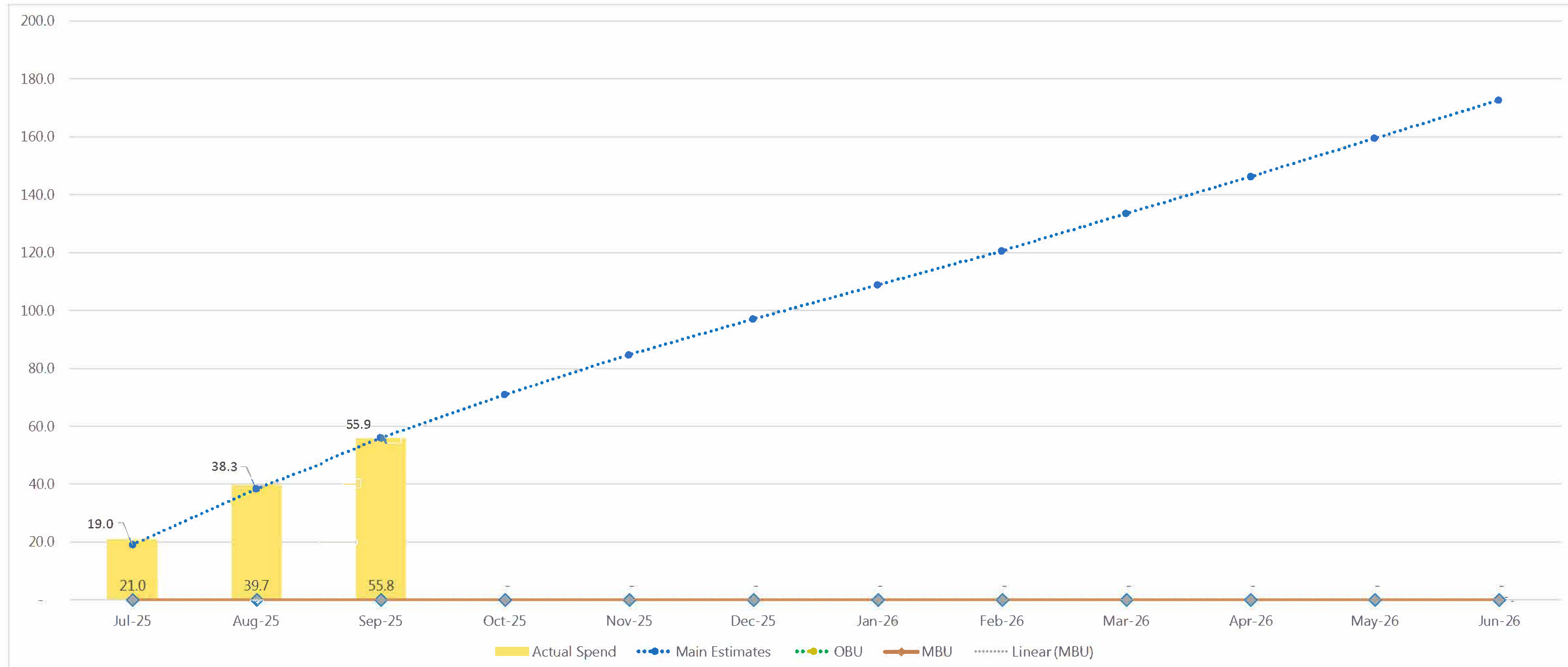
CAPITAL EXPENDITURE

DEI-led Capex expenditure for the year to September 2025 is $55.81M actual versus forecasted spend of $55.92M which is a 0.1% variance behind forecast. Compared to August 2025 with an (1.4%) variance overspend. Key contributors to the variances are due to signing delays and procurement of items being delayed.

All DEI- Led programmes continue to forecast to be completed within their Cabinet approved budgets.

DEI-Led	Sep YTD ($M)			Full Year
Project	Actual	Forecast	Variance	Mains
Homes for Families	s. 9(2)(j)			15
Accommodation Messing & Dining				3.5
Ohakea Infrastructure Programme				12.76
Property Acquisition				
DERP				141.37
Total	55.81	55.92	0.12	172.63

NZDF	Sep YTD ($M)			Full Year
Portfolio	Actual	Forecast	Variance	Mains
Defence Estate Infrastructure	55.8	55.9	0.1	172.6



TACTICAL REPORT - QUARTERLY RISK PROFILE

DEI PORTFOLIO DASHBOARD

September 2025

TE OPE KĀTUA O AOTEAROA DEFENCE FORCE

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

Previous report Mar 2025, next update Jan 2026

Maturity	Delivery	Confidence	Affordability	Coherence
People, processes and tools are available and sufficiently mature to successfully deliver infrastructure investments.	A fit for purpose Estate and Infrastructure is delivered to NZDF as expected by government.	NZDF, Treasury and Ministers have confidence in DEI's ability to deliver and manage its portfolio.	DEI remains within indicative funding envelope set by DEPP 2025.	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.	Increased delivery against budget and schedules of projects prioritised from asset information	Feedback on key investment decisions and a secured construction funding pipeline.	Development of Programme budget tolerances, delegations and contingencies.	The quantity of changes or deviations from approved construction and maintenance plans.
Last: Medium Current: Medium 6mth Forecast: High	Last: Current: Medium 6mth Forecast: Medium	Last: Medium Current: Medium 6mth Forecast: Medium	Last: Current: High 6mth Forecast: High	Last: Medium Current: Medium 6mth Forecast: Medium
		Current Commentary and Treatment		
• DEI's health and safety systems remain robust, with no increase in critical incidents despite a rise in project delays. • The CO (23) 9 Asset Management attestation was completed in July. DEI is non-compliant in one of 16 areas—specifically, the integration of DEI's asset management approach with other frameworks and functions. DEI Assets & Environment is leading initiatives to address this gap. • DEI is developing a roadmap to align its priorities with NZDF's strategic direction, ensuring delivery at pace with rigor, minimum viable product (MVP) principles, and value for money. •Delays in completing the Workforce Savings Programme are impacting morale, resulting in loss of institutional knowledge, reduced productivity, and reputational risk. • The increased pace and volume of change, coupled with a renewed focus on quality, may challenge previously mature systems.	•The Estate's Maintenance Programme faces a $514M backlog of identified but unfunded initiatives. While a cost pressure bid secured $26M per annum, over four years for Defence Infrastructure, that is not sufficient to meet estate requirements. • Modernising Army Training Capability Programme (former Plan Mere) is being formally established with its programme mandate approved by the Capability Management Board. Development of the strategic assessment and business case is funded by Army. • Approximately 70% of horizontal infrastructure is at end-of-life or operating at maximum capacity, limiting support for new vertical assets. Projects are exceeding budgets as they absorb these additional costs. • Continued deferral of horizontal infrastructure through re-prioritisation and budget constraints increasing risk of failure. The Horizontal Infrastructure Business Case is to be considered by the Cabinet in November.	• Cabinet approved the Defence Estate Portfolio Plan (DEPP) in August 25. The Plan advances the case for a Estate that enables Defence outputs and operations in a structured and affordable way by investing in core locations that directly support operations, military training and output delivery; in service-critical assets, and resilience, while progressively lifting the overall standard of asset performance. • 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. • Financial performance across key DEI programmes has shown a sustained reduction in variance, even as programme volumes have increased. Enhanced capital forecasting processes have contributed to maintaining minimal levels of variation when compared with other major NZDF portfolios.	s. 9(2)(g)(i) [redacted] • The Estate Capital budget funded by depreciation for 25/26 was confirmed as $120M. This amount is far below the approximately $500M required per annum to deliver fit for purpose and sustainable infrastructure for NZDF as specified in the Defence Estate Portfolio Plan (DEPP) 25. • Ohakea Infrastructure Programme (OIP) is currently funded through to Jun 26. The Defence Capability Plan (DCP) 24 indicates the remainder of funding through Budget 28. The funding gap between 26 and 28 might impact tranches 3 and 4 s. 9(2)(g)(i) [redacted] which is a high risk for Defence strategic outcomes. The Estate cannot maintain the programme without additional funding.	• DEI and Capability Branch have agreed a MOU based on the DEI Alliance professional services approach for the Capability projects PRICIE infrastructure elements. Projects with infrastructure components will now have access to design standards and whole of life costing approach developed by DEI Alliance, which will improving integration of new Cap Branch and MOD infrastructure requirements into DEI systems. • The impact of the Workforce Savings Programme's outcomes on civilian functions across DEI that support delivery of the DEPP, coupled with the high reliance on people networks within NZDF. • DEI will move to report to Chief Joint Defence Services (CJDS) in December 2025. • Future Naval Base Programme Business Case was stalled again to allow another IQA on whether Navy should stay in Devonport.
		Evidence & Measures		
• DEI Alliance KRAs. • Improvements in Business Case methodology. • Procurement using multiple accepted methods. • FM Providers KRAs. • CO (23) 9 Asset Management Attestation • Coordination of investment of Estate and Capability Branch.	• 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

Note: The delivery and affordability risk ratings have been reassessed against the stated goals and indicators of good performance. While our ability to utilise allocated funding for its intended purpose continues to strengthen, this progress is often overshadowed by a focus on funding shortfalls rather than the effective use of resources provided by government. Insufficient funding remains a critical constraint and will ultimately affect our ability to deliver on the DEI vision. Accordingly, the delivery and affordability ratings have been re-baselined to ensure alignment with our objectives and the standards previously defined as indicators of success.