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New Zealand Defence Force
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New Zealand

OIA-2026-5937

21st September 2026

[REDACTED]
[REDACTED]

Dear [REDACTED]

I refer to your email of 17 August 2026 requesting, under the Official Information Act 1982 (OIA), *information relating to personnel reaction to the NZDF REM:2026 remuneration package.*

Please provide records created or held between 1 May 2026 and 17 August 2026, including:

- 1. Briefings, reports, emails, meeting notes or other records assessing personnel reaction to REM2026. Any assessments of morale, dissatisfaction or concerns among NZDF personnel following the announcement or implementation of the package. Any reporting on the reaction to the package provided to the Chief of Defence Force, ViceChief of Defence Force, Chief People Officer, NZDF leadership or Minister of Defence.*
- 2. Records of complaints, concerns or other substantive feedback received from serving personnel concerning REM:2026. Any analysis identifying recurring themes or concerns in that feedback.*
- 3. Any advice, analysis or reporting assessing the potential or actual impact of REM:2026 on recruitment, retention, morale, resignations or intentions to leave the NZDF. Any records identifying personnel who have cited REM:2026, or dissatisfaction with the package, as a reason for considering or proceeding with resignation or departure. Any assessment of whether the package could have a disproportionate effect on the retention of junior or mid-ranking personnel.*
- 4. Records concerning personnel reaction to the reduction in OEAP rates from 1 August 2026. Any complaints, feedback or internal reporting concerning the reduction. Any assessment of the impact of the reduction on morale, recruitment or retention.*
- 5. Correspondence, briefings or other records discussing anticipated or actual adverse reaction to REM:2026.*

I apologise for the delay in responding to your request. Enclosed is a Minute dated 11 May 2026 from the New Zealand Defence Force (NZDF) Chief People Officer to the NZDF Organisational Governance Board. Where indicated, capability and deployment information is withheld in accordance with section 6(a) of the OIA, information is withheld in accordance with section 9(2)(g)(i) of the OIA to protect the free and frank expression of opinions, and section 9(2)(j) of the OIA to avoid prejudice to negotiations. A signature is withheld in

accordance with section 9(2)(k) of the OIA to avoid the malicious or inappropriate use of staff information.

There are no further briefings, reports, or assessments of personnel reaction to REM2026 to the Chief of Defence Force, Vice Chief of Defence Force, Chief People Officer, senior Defence Force leadership, or the Minister of Defence.

With respect to any complaints, correspondence, concerns, opinions, or other information that may have been created regarding REM2026, this would involve a substantial research and collation effort across all levels of the NZDF. As it currently stands, the parts of your request connected to this information are declined in accordance with section 18(f) of the OIA. If you are able to refine these parts of your request to facilitate the identification and ready retrieval of particular information, it will be considered accordingly.

With respect to reasons for personnel departing the NZDF between 1 May and 17 August 2026, 10 members of the Regular Force indicated 'pay and allowances' as their reason for leaving, but this may not specifically relate to REM: 2026. No civilian staff cited 'pay and allowances' as their reason for leaving over the same period.

You have the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

GA Motley

Brigadier

Chief of Staff HQNZDF

Enclosure:

1. Chief People Officer Minute 22/2026

HEADQUARTERS NEW ZEALAND DEFENCE FORCE
CPO MINUTE 22/2026

11 May 2026

Organisational Governance Board

BUDGET 26 WORKFORCE SETTINGS: GUIDANCE FOR PPC

Reference:

CFO AI 01/2026: NZDF Detailed Budget and Planning Instructions, Dated 07APR26

Purpose

1. The purpose of this paper is to set strategic guidance and REM component prioritisation from OGB. This prioritisation will inform REM:26 options for PPC decision making. It seeks agreement on workforce volume settings and presents indicative scenarios of Price.

Introduction

2. s. 9(2)(g)(i) External events and competing priorities will likely see insufficient funding to implement the base salary component of the Total Remuneration Programme (Price), s. 9(2)(g)(i)

for the Regular Force or Civil Staff (Volume) over the next four years.

s. 9(2)(j)

In such an austere environment clear boundaries and direction is required from the OGB to avoid nugatory work by the PPC. This paper should be read in conjunction with the Budget 26 Prioritisation framework prepared by Defence Strategy Management and the dedicated Workforce Settings slide deck.

Likely PERSEX Allocations from GONZ

3. The Reference laid out expected PERSEX that was correct for the time, however considering current affairs the NZDF was invited to redetermine allocation within the envelope to achieve fuel security. s. 6(a)

. This, s. 9(2)(g)(i)

, formed the medium setting for the development of workforce plans. A low and high setting for the Regular Force s. 6(a)

was also prepared to contrast and if needed trade off.

s. 6(a)

Figure 1. Initial and Modified Workforce growth

4. PERSEX for Price settings is expected to be unchanged at \$30M (\$120M) over four years. s. 9(2)(g)(i) prioritisation of settings is sought from this governance board.

Insights Sessions (28-29 April 2026) and Executive Management Group (01 May 2026)

5. The plans were presented and tested through Insights Sessions, and a sitting of the Executive Management Group. This process highlighted that;

- a. s. 9(2)(g)(i)
- b. s. 6(a)
- c.
- d. (RF) It is important to give the RF Training pipeline as much stability as possible; peaks and troughs across years in intake sizes is inefficient,
- e. (RF) There was a preference to retain personnel from our current workforce over attracting Ab Initio. We need those with the knowledge for deployments and to be here to pass it on,
- f. (CIV) There was a higher than anticipated interest in modification of the establishment that did not have associated funding or offset. s. 9(2)(g)(i). The priority will be filling the existing establishment and upcoming B26 Initiatives,
- g. (CIV) There was a strong desire to conduct Job Evaluations (JE), s. 9(2)(j) and
- h. (RF and CIV) Notwithstanding JE above there was not a clear consensus as to how the \$30M of Remuneration would best be applied. The remainder of this paper focusses on this question.

Indicative workforce settings for Price: an overview of the elements

6. Scenarios presented in the slide pack are built comprising remuneration components that could form part of REM26. They have the most impact to the maximum number of people, or where there is the greatest strategic demand. Consideration of a Critical Continuity Payment is being managed separately s. 9(2)(g)(i).

7. **(MIL and CIV) Base Salary (BS).** Consistent BS increases are proposed to be applied to Military personnel and Civil Staff (Military Factor values extant). It is a key principle to apply the same amounts to both the CIV and RF workforces and because we are currently in bargaining with the PSA, s. 9(2)(j)

s. 9(2)(j)



8. **(CIV) Annual Remuneration Review (ARR).** CDF is contractually¹ obliged to undertake an ARR for the Civil Staff, while RF pay progression is embedded and occurs as a matter of course. In previous years where ARR has not been funded, this has been in response to fiscal shocks, including Covid-19 and fiscal constraints in 2024 and 2025. ARR applies to ~2,850 civilian staff and 25 LEC's.

9. A constrained allocation would enable a limited ARR but would require tight controls, prioritisation, and active oversight, with only modest impact across the civilian workforce. s. 9(2)(g)(i)



10. s. 9(2)(g)(i)



11. **(CIV) Job Evaluation (JE).** Civilian positions are placed in grades based on their JE score or job size. DFO3 states that a job evaluation for a position should be reviewed every 3-5 years to confirm that it remains valid. Job evaluation has been placed on hold since the Workforce Savings Programme (WSP) was announced apart from newly created positions. This has resulted in a backlog of positions for which the job sizes need to be reviewed. s. 9(2)(g)(i)



12. While JE for a position may be reviewed, it may not necessarily result in a grade change unless the job size increases beyond the range of the existing grade. However, where a position does change grade, a remuneration increase will likely result. s. 9(2)(j)



13. **(RF and CIV) Dislocation Allowance.** Introduced in July 2025 at a modest rate of \$10 per day to recognise the disruption experienced by NZDF military personnel and civilian staff who are required to be away from both their normal place of duty and place of residence for 24 hours or more. Across

¹ The NZDF individual employment agreement 2010 provides: *Your manager will review your remuneration at least annually in conjunction with a quantitative and qualitative performance review to ensure that your remuneration reflects the value of your contribution, your performance, and the requirements of the position. You should have no expectation of an increase to your remuneration following any such review. Any review will be subject to organisational financial constraints, affordability and prudent expenditure of public money.* A similar provision is in the Public Service Association Collective Employment Agreement (CEA) and other CEAs.

the First two quarters of FY25/26 7900 personnel received at least one day of the allowance. The allowance was implemented at a conservative rate, enabling the NZDF to establish robust evidence on utilisation and cost. April 2026 data confirmed expenditure is tracking to forecast.

14. Allowance funding reaches the smallest percentage of the workforce, but improves incentives to have personnel volunteer/ available to deploy in key non- operational roles/ away from their primary place of work.

15. While the flat-rate structure enables straightforward scaling, within the B26 funding envelope any uplift is recommended to be capped at an additional \$10 per day. Any increase will compound existing allowance costs without offset and must be considered alongside longer-term remuneration reform objectives, s. 6(a)

16. **(RF and CIV) Non-Operational Posting Allowances (NOPA).** Investment in NOPA entitlements supports the staffing of strategically critical overseas roles by mitigating key financial disincentives associated with expatriate postings. Targeted increases to the Expatriate Accompanied and Child Allowances would benefit s. 6(a) accompanied members and s. 6(a) children annually, addressing documented loss of spousal income and associated impact on career progression, and higher family-related costs. s. 6(a) single or unaccompanied members will not benefit, reflecting a deliberate policy focus on the most acute pressures.

17. While the benefiting cohort is relatively small, overseas postings are a common feature across military careers so the workforce impact would be more widespread over time. Expatriate allowance settings have remained largely static over many years until July 2025, when both the Single and Accompanied Expatriate Allowances were increased by \$10,000 (nett); no corresponding uplift was applied to child-related support. The allowances are scalable, with options including a \$20,000 increase to the Expatriate Accompanied Allowance (to \$50,000 nett), and an increase to the Expatriate Child Allowance from \$4,000 to \$5,000 nett.

18. s. 9(2)(j)

Commentary on the Indicative Scenarios

19. Job Evaluations are an escalating risk each FY that we do not conduct them; the pause occurred to allow the Workforce Savings Programme clear data and roles to work with. It is comparable to a member of the RF expected to indefinitely perform at a higher Rank than what they hold without compensation. To mitigate this risk it has been included in each scenario where affordable.

20. While this paper is designed to provoke discussion to form guidance; an initial position that the board could use is to give priority to BS, ARR and JE; in that order. s. 9(2)(j)

Recommendations

21. It is recommended that the Organisational Governance Board (without duplicating DSM Prioritisation framework Recommendations):

- a. **Note** the high-level Insights derived from the earlier meetings,
- b. **Approve** a position on whether PPC should consider if a Single Service should set Volume allocations different to the other Services,
- c. **Agree** that the budget allocation for remuneration (price) settings is \$30M,
- d. **Note** the contractual obligation in Civil Staff employment agreements to undertake ARR annually,
- e. **Note** that I recommend priority is not given to Allowances, including Non-Operational Posting Allowances in order to maximise the amount available for a base salary increase, and

Approve and amend the indicative Price Scenarios, providing guidance on priority of;

- (1) Base Salary,
- (2) Annual Remuneration Review,
- (3) Job Evaluation,
- (4) Dislocation Allowance, and
- (5) Non-Operational Allowances.

s. 9(2)(k)



J.A FUNNELL
CPO