

# BRIEFING FOR THE INCOMING MINISTER OF DEFENCE

Background Document

October 2014

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- Section 6(a), as the making available of that information would be likely to prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand;
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# Section One – Purpose

## Introduction

The Commander in Chief of New Zealand's Defence Forces is the Governor-General, and you as Minister of Defence have power of control over the New Zealand Defence Force (NZDF) on behalf of the Government. The Minister exercises this power through the Chief of Defence Force (as per section 7 of the Defence Act). The arrangements for Defence are set out in the Defence Act 1990.

The heads of the two agencies (which are together referred to as 'Defence') are:

- the Secretary of Defence, the principal civilian adviser to the Minister of Defence and other Ministers (section 24 of the Defence Act); and
- the Chief of Defence Force, the principal military adviser to the Minister of Defence and other Ministers (section 25 of the Defence Act), and the most senior officer in the NZDF who is responsible for command of the NZDF (section eight of the Defence Act).



Secretary of Defence  
Helene Quilter



Chief of Defence Force  
Lieutenant General  
Tim Keating

The Defence Act defines the primary roles and responsibilities of the Chief of Defence Force as to be the principal military adviser to the Minister of Defence and other Ministers; be responsible to the Minister for the functions, conduct and management of the NZDF; and be responsible to appropriate Ministers for carrying out defence responsibilities as directed by the Government, and relevant to their portfolio.

The Defence Act defines the primary roles and responsibilities of the Secretary of Defence as to be the principal civilian adviser to the Minister of Defence and other Ministers; to formulate defence policy in consultation with the Chief of Defence Force; to prepare defence assessments; procure, replace or repair major defence equipment; and to arrange for audits and assessments of Defence as agreed with the Minister.

Charts showing the leadership of both organisations are provided in Annexes 1 and 2.

In addition, Veterans' Affairs New Zealand (Veterans' Affairs) is a business unit with the NZDF, which provides policy and support in relation to veterans and traditionally supports a separate portfolio with its own Minister. Veterans' Affairs is undertaking significant reforms to the entitlements and support it provides veterans as a result of the passage and implementation of new legislation that was passed in July. This programme of work will be reported to the Minister of Veterans' Affairs in the first instance, but you will be advised of any impact on the outputs you are responsible for.

## Empowering Legislation

The Defence Act 1990 (the Act) is the primary legislation concerning the raising and maintaining of New Zealand's Armed Forces and the responsibilities of the Secretary of Defence. The Act includes provisions that set out the broad legislative framework for the command and administration of the NZDF and its three Services: the Navy; the Army; and the Air Force.

The Act confirms the purposes of the Armed Forces; constitutes the NZDF; affirms that the Armed Forces are under Ministerial authority; defines the roles and relationships of senior officials; and makes provisions, generally, in respect of the establishment, control and activities of the NZDF, and related matters.

Under the Act, 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; and
- the contribution of forces to the United Nations or other organisations or states for operations in accordance with the principles of the Charter of the United Nations.

The Act also allows the Armed Forces to be used to provide a public service or assist the civil power in time of emergency.

In addition, Defence administers the following legislation:

- Armed Forces Canteens Act 1948;
- Court Martial Act 2007;
- Court Martial Appeals Act 1953;
- Military Decorations and Distinctive Badges Act 1918;

- Military Manoeuvres Act 1915;
- Naval and Victualling Stores Act Repeal Act 1998;
- Patriotic and Canteen Funds Act 1947;
- Veterans' Affairs Act 1999;
- Visiting Forces Act 2004;
- War Funds Act Repeal Act 2003; and
- War Pensions Act 1954.

### ***Defence Amendment Bill***

The Defence Amendment Bill was introduced in October 2011 to implement the policy objectives of the *Defence White Paper 2010* that required amendments to the Defence Act 1990.

The Bill had its first reading in March 2012 and was reported back to the House by the Foreign Affairs, Defence and Trade Committee on 3 July 2012. In February 2014 Cabinet approved policy changes to enhance the accountability of senior NZDF staff to Ministers, to be incorporated by supplementary order paper at the Bill's Committee of the Whole House stage. The changes maintain the substantive intent of the *Defence White Paper 2010* but amended the previously approved detailed legislation proposals.



### **Government's Direction to Defence**

The Government provides direction to Defence in a number of forms. The Defence White Paper is the principal policy direction to Defence; the latest iteration is the *Defence White Paper 2010*. The Defence White Paper sets out the long-term priorities for Defence and is the paramount strategic guidance within the NZDF. From time-to-time the Government has also produced other policy statements that provide supplementary direction to the Defence Force.

#### ***Defence White Paper 2010***

The Defence White Paper provided overarching direction with respect to New Zealand's security interests and the role of the NZDF:

- the core task of the NZDF is to conduct military operations;
- given our interests and obligations, operations in New Zealand's maritime zone and the South Pacific are the starting point for choosing military capabilities; and
- New Zealand's forces must be interoperable with those of our principal partners.



The context for the NZDF raison d'être and responsibilities is encompassed in the contributions the NZDF makes to the national security interests. The Government expects that acting in a lead or supporting role, the NZDF will contribute to the following national security interests:

- a safe and secure New Zealand, including its border and approaches;
- a rules-based international order, which respects national sovereignty;
- a network of strong international linkages; and
- a sound global economy underpinned by open trade routes.

In furthering New Zealand's national security interests the principal tasks which the Government expects the NZDF to be able to conduct over the next 25 years are:

- to defend New Zealand's sovereignty;
- to discharge our obligations as an ally of Australia;
- to contribute to and, where necessary, lead peace and security operations in the South Pacific;
- to make a credible contribution in support of peace and security in the Asia-Pacific region;
- to protect New Zealand's wider interests by contributing to international peace and security, and the international rule of law;
- to contribute to all-of-government efforts at home and abroad in resource protection, disaster relief, and humanitarian assistance;
- to participate in all-of-government efforts to monitor the international strategic environment; and
- to be prepared to respond to sudden shifts and other disjunctions in the strategic environment.

## **Role of the Minister of Defence**

As Minister of Defence you have responsibility for setting the policy direction of Defence, setting Government priorities for Defence agencies, and agreeing a programme of evaluations and assessments that are undertaken by the Ministry of Defence on your behalf. You will also be called upon to make decisions on operational deployments, Defence capability and major purchasing decisions.

You will lead New Zealand's representative at a number of international Defence fora (such as the Shangri-la Dialogue, and meetings of the ASEAN Defence Ministers Meeting Plus), ensuring that New Zealand's Defence objectives are well represented, and that international relationships are maintained.

You will also be the senior representative at ceremonial and commemorative occasions.

Key ministerial relationships for Defence are:

- **Minister of Foreign Affairs:** consultation and collaboration on international Defence issues, including potential operational deployments;
- **Minister of Culture and Heritage:** consultation and collaboration on protocol, and ceremonial and commemorative functions, with particular focus over the next coming months on WW100 commemorations;
- **Minister of Veterans' Affairs:** working through interconnected policy and work on ceremonial and commemorative functions; and
- **Minister of Finance and other Cabinet colleagues:** you will take to Cabinet decisions on senior appointments in the NZDF, mandates to deploy the NZDF overseas, and the selection of capability options and procurement of capability.

### ***Assisting Civil Powers***

The NZDF has a number of arrangements in place with governmental agencies to assist the civil power for the preservation of life and protection of critical infrastructure in times of emergency. As part of this, the Minister of Defence is required to specifically authorise the Chief of Defence Force to:

- requisition ships, vehicles, aircraft, supplies or equipment to be used in connection with an actual or imminent emergency involving the deployment of the Armed Forces outside New Zealand, including the requisition of land, buildings and similar installations; and
- employ the Armed Forces and provide a public service in the event of an industrial dispute.

Where assistance to the civil power involves law enforcement and the likelihood of the use of force, the Prime Minister (or next senior Minister), acting on information provided by the Commissioner of Police, must specifically authorise the use of the Armed Forces for such tasks.

### ***Appointments***

The Minister of Defence makes appointments to the **Territorial Force Employer Support Council**. The Council supports Reserves in their civilian workplace. It is independent from the NZDF, and reports directly to the Minister of Defence. With the passage of the Defence Amendment Bill the name will change to the Defence Employer Support Council.

The purpose of the Council is to oversee the effective resolution of employment issues related to personnel involved with Reserve Forces and New Zealand Cadet Forces; develop employer engagement initiatives and activities that raise public awareness and support of part-time military service and NZDF youth programmes; and liaise with the Minister of Defence on matters related to Reserve Forces and NZDF youth initiatives.

A list of the membership of the Council is at Annex 3.

The **New Zealand Defence Industry Advisory Council** is a non-statutory Ministerial advisory board comprising senior defence industry leaders, including members of the New

Zealand Defence Industry Association lobby group. Chaired by Greg Lowe, Group Chief Executive of Beca, the Council has a wide brief to:

- provide national and international defence industry advice to the Minister of Defence;
- encourage strategic relationships between Defence and industry; and
- act as conduit between the Minister of Defence and industry on defence matters.

The Council also facilitates annual Minister of Defence Awards of Excellence to industry, which are usually presented at the annual Defence Industry Forum. The Ministry of Defence provides secretariat support for the Council.

A list of the membership of the Council is at Annex 3.

The Minister of Defence is the Chair of the **Armed Forces Canteen Council**, although in practice routine responsibilities have been delegated to the Chief of Defence Force (sub-delegated to the NZDF Chief Operating Officer). Other Council members are the three Deputy Chiefs of the Services (serving in *ex-officio* capacities) and an independent adviser. The independent adviser is appointed by the Minister of Defence to ensure some continuity amongst the Council members. This is not an appointment through Cabinet. The current representative is Peter Nankivell.

The Armed Forces Canteen Council is established by the Armed Forces Canteens Act 1948 to enable the operation of canteen services on NZDF camps and bases. The main purpose is to provide quality cafeteria and retailing services for NZDF personnel. Profits made from trading are distributed to Service welfare funds according to the equity each Service holds in the organisation.

As the Chair you are responsible for the distribution of operating surpluses and tabling the Council's Annual Report in the House.

The **New Zealand Cadet Forces**, comprising the Sea Cadet Corps, the New Zealand Cadet Corps and the Air Training Corps, are not part of the NZDF but are sponsored by the Chief of Defence Force on behalf of the Minister of Defence. The organisation is supported by the NZDF and the community and endeavours to develop confident young citizens who are valued in their community by providing them with safe, enjoyable and challenging opportunities.

As Minister you are required to determine the number of units by authorising or directing the formation or disbandment of a unit; appoint suitable qualified persons to be cadet officers and approve their promotions, retirements or discharge; and award officers parchments and approve the award of Cadet Force Medal for service.

Under the War Pensions Act, the Minister of Veterans' Affairs is responsible for the appointment of members to the War Pensions Advisory Board and the War Pensions Appeal Board. In addition to the above statutory appointments, the Minister of Veterans' Affairs and Minister of Defence are jointly responsible for the appointment of the chairperson of the **Vietnam Veterans and their Families Trust**.

## Role of the Ministry of Defence

The Secretary of Defence, and Chief Executive of the Ministry of Defence (the Ministry), is the principal civilian adviser on defence matters to the Minister of Defence and other Ministers.

The Ministry gives civilian advice on defence matters to enhance New Zealand's security. It is the Government's principal civilian adviser on the international strategic defence environment and on New Zealand's defence interests.

The role of the Ministry's 76 staff is to:

- look out to the strategic environment and ahead to what New Zealand will need from its military;
- define, with the NZDF, what defence capability is needed, acquires that capability, and assess its effectiveness;
- help shape the international environment in the interests of New Zealand's security, through its part in the management of New Zealand's international defence engagements; and
- through its evaluation functions, deliver a work programme agreed with the Minister of Defence, to provide advice on the effectiveness of New Zealand's military capability and the performance of the NZDF.

This work is delivered through the following activities:

### *Provision of Policy Advice*

The Ministry advises the Government on:

- **Changes in the strategic environment:** The Ministry works with the NZDF and other organisations to identify emerging trends and issues by maintaining an overview of New Zealand's strategic environment.

This work includes reviewing defence policy settings, military capability and resources – including advice to Government on the long-term priorities for New Zealand's defence and security.

- **Defence and security policies:** Security environment changes may require policy responses, although not necessarily military ones. Some changes, however, might suggest a need for the NZDF to undertake tasks different from those for which it is currently equipped.

In the last year, work on defence and security policies involved a Cabinet review of New Zealand's international peace support operations policy, as well as advice on overseas deployments.

- **Military capabilities and outputs:** The NZDF administers a portfolio of around \$5 billion in assets, and spends around \$2.3 billion a year on outputs and capabilities. The Ministry advises on managing military capabilities across their life cycle. In particular, it ensures business cases are robust whenever the Government considers buying or upgrading major platforms and items of military equipment. This involves looking at how well spending proposals align with defence policy, as well as broad resource implications, and the merits and risks of various options, including technical advice and analysis. This ensures the Government has sound information and capital expenditure delivers value for money.

Major capability decisions will be framed to Ministers in the context of the broader programme of capability work identified through the Defence Mid-point Rebalancing Review.

Procurement occurs in the context of the Defence Capability Management Framework jointly owned by the Secretary of Defence and the Chief of Defence Force. Through the Framework, the two agencies collaborate to meet the Government's requirements to deliver programmes and projects involving personnel, equipment, platforms and other material that affect NZDF's capability to undertake military operations.

- **Bilateral and multilateral defence relations:** The collective effort of security partnerships enhances each partner's individual security. The Ministry helps maintain and improve New Zealand's security by giving policy advice on security partnerships and by participating in international defence relations.

This work is undertaken in conjunction with the NZDF and in support of the Ministry of Foreign Affairs and Trade. It provides the direction for the development of international defence partnerships, to maximise the benefit to New Zealand security and foreign policy interests. This includes leading bilateral policy talks, supporting high level defence diplomacy activities, and representing New Zealand in regional and international defence architecture.

### ***Procuring Military Equipment***

The Ministry has primary responsibility, working closely with the NZDF, to procure major military capability. It is also responsible for major upgrades and is undertaking itself an upgrade of the C-130 Hercules aircraft. The Ministry's acquisitions activities ensure decisions on capability, cost and schedule are achieved, and that military equipment is delivered as needed.

This work currently includes:

- major upgrades to the ANZAC frigates, remediation work for the Project Protector fleet, and upgrades to the Seasprite Maritime Helicopters;
- major upgrades to New Zealand's C-130 Hercules and P-3K2 Orion fleets are being undertaken at Woodbourne Air Base in Blenheim. Work on the Hercules is led by Ministry staff and is the largest ever undertaken on any aircraft in New Zealand;
- acquisition of the NH90 Helicopters and AgustaWestland A109 Light Utility Helicopter continue, along with acquisition of the T6 Beechcraft aircraft required for pilot training; and

- delivery of Medium/Heavy Operating Vehicles, and work on a new Defence Command and Control System and phase 1 of the Strategic Bearer Network project to deliver satellite communications to NZDF.



Cabinet has also approved the acquisition aspects of the following projects, which are still at the capability development phase: Individual Weapon Replacement, Maritime Sustainment, and Underwater Intelligence, Surveillance and Reconnaissance.

The Ministry provides regular updates on the progress of these acquisitions, and the NZDF provides updates on work to utilise and incorporate the new capability as it becomes available.

***Evaluation, Audit and Assessment of Performance***

The Ministry undertakes independent evaluations, audits and assessments of performance, for the Minister of Defence, of NZDF functions, duties or projects, and Ministry procurement activities. It also audits, for the Minister for the Environment and the Minister of Defence, controls on hazardous substances that are under the control of the Minister of Defence.

The programme of work is agreed with the Minister of Defence, and its objective has shifted to support learning and continuous improvement in Defence. Evaluation projects may focus on strategic risks across the NZDF and the Ministry, as well as identifying any gaps, incorporating Government priorities, assessing the current state, and identifying comparable military risks elsewhere in the world.

### ***Defence and Security Sector***

The Ministry is a lead policy agency in the defence and security sector. The sector is changing to meet shifts in the nature of security threats. This reflects the rise of new threats that diminish the importance of New Zealand's geographic isolation and have the potential to impact a variety of national interests.

Because of the connected nature of defence, security and economic interests there is an expectation that the sector will provide consistent, integrated advice to Government, working closely with NZ-Inc, and that it will be sustainable and resilient as a sector.

The Ministry will be expected to make a meaningful contribution beyond the defence system on how New Zealand's Armed Forces, the wider security sector, and New Zealand's international partners can work more effectively together. The Ministry and the NZDF have been active supporters to help the intelligence community manage a period of change, and to assist them with their own version of the DMRR – the Strategic Capability and Resourcing Review.

A high-performing intelligence and national security community is of fundamental importance to the work of the Ministry, and the Ministry is actively working to strengthen and deepen those relationships. This includes working closely with the intelligence community as part of developing an understanding of the key security challenges facing New Zealand in the future.

In order to strengthen these relationships, and provide defence policy input into the security sector's work, the Ministry has moved away from providing 'second opinion' advice, and instead produces advice in conjunction with partners that can inform the work of the Officials Committee for Domestic and External Security Coordination (ODESC) and other inter-agency groups – for example, in the production of the National Security and Resilience Plan.

### **Role of the New Zealand Defence Force**

The NZDF, in partnership with the Ministry, is responsible for delivering defence and providing essential support to the delivery of the Government's national security objectives.

The principal role of the NZDF is to defend the nation's sovereign territory and those areas for which New Zealand is responsible, delivering security for New Zealanders including against terrorism, and related asymmetric threats.

The NZDF's core responsibility is to achieve success on operations, remain affordable while preparing for future challenges while caring for military members, their families and preserving the wellbeing of civil staff.

The contribution the NZDF makes to national security is further defined through the operational outputs which describe what military capabilities the Government may consider employing in expeditionary combat operations and on domestic security tasks in and about New Zealand. This could include New Zealand contributions to multinational operations or United Nations mandated missions, but the defence forces are held principally to allow the

NZDF to respond to security events in which New Zealand acts alone to protect national interests.

### ***The Chief of Defence Force***

The NZDF is led by the Chief of Defence Force, who is appointed by the Minister of Defence.

The CDF is the professional head of the Armed Forces as a whole and the Government's principal military adviser. The CDF is responsible for the direction of military operations, and, through the Chiefs of Service (Navy, Army and Air Force), is responsible for ensuring the fighting effectiveness, efficiency and morale of the NZDF.

In addition to the strategic command role, the CDF is the Chief Executive of the NZDF and directly accountable to the Government and people of New Zealand for the effective and efficient management of the NZDF.

### ***Headquarters NZDF***

Headquarters NZDF supports the CDF in his role as the strategic commander of New Zealand's military operations and the Government's principal military adviser. In this role the CDF draws on the operationally focused advice provided by the Chiefs of Service, the Commander Joint Forces New Zealand and senior members of the civil staff.

In providing policy advice to the Government and other governmental departments, CDF is supported by a key governance and management body; the Defence Force Leadership Board, and a special military committee, the Chiefs of Service Committee:

- The Defence Force Leadership Board is chaired by CDF and is the primary strategic advisory board to CDF; it is a forum for CDF and the senior leadership team to discuss significant issues affecting NZDF strategy.
- The Chiefs of Service Committee is the main forum through which CDF seeks and obtains the collective military advice of the Chiefs of Service, and through which he discharges his responsibilities for the preparation and conduct of military operations.

Headquarters NZDF concentrates on engaging with other departments on national security issues. In the international sphere the headquarters focuses, in general, on the fundamental policy questions, bilateral relations with security partners and other nations, liaison with international organisations and the strategic aspects of operations involving the NZDF.

### ***Headquarters Joint Forces New Zealand***

The Headquarters Joint Forces New Zealand, at Trentham, plans and executes joint or potentially joint operations in support of the Government's direction to the NZDF. This headquarters is also responsible for NZDF contributions to the civil power in times of domestic emergencies.



### ***Shared Governance Functions***

There are a number of other functions that are managed collectively with the NZDF and the Ministry. They include:

- the assessments and maintenance of military equipment capabilities, which are managed through the Capability Management Board;
- matters of common and mutual Defence interest, which are effected through the Defence Business Committee; and
- Defence International Engagement, through which we work with the Ministry of Foreign Affairs and Trade to manage our relationship with allies, security partners and other nations.

### ***Veterans' Affairs***

Veterans' Affairs is an operational unit within the NZDF that is the primary point of contact for government's support and recognition of the estimated 31,000 New Zealand veterans. Veterans' Affairs funding includes an appropriation within Vote Defence Force, but policy and day-to-day operational matters relating to Veterans' Affairs will be connected to the Veterans' Affairs Ministerial portfolio.

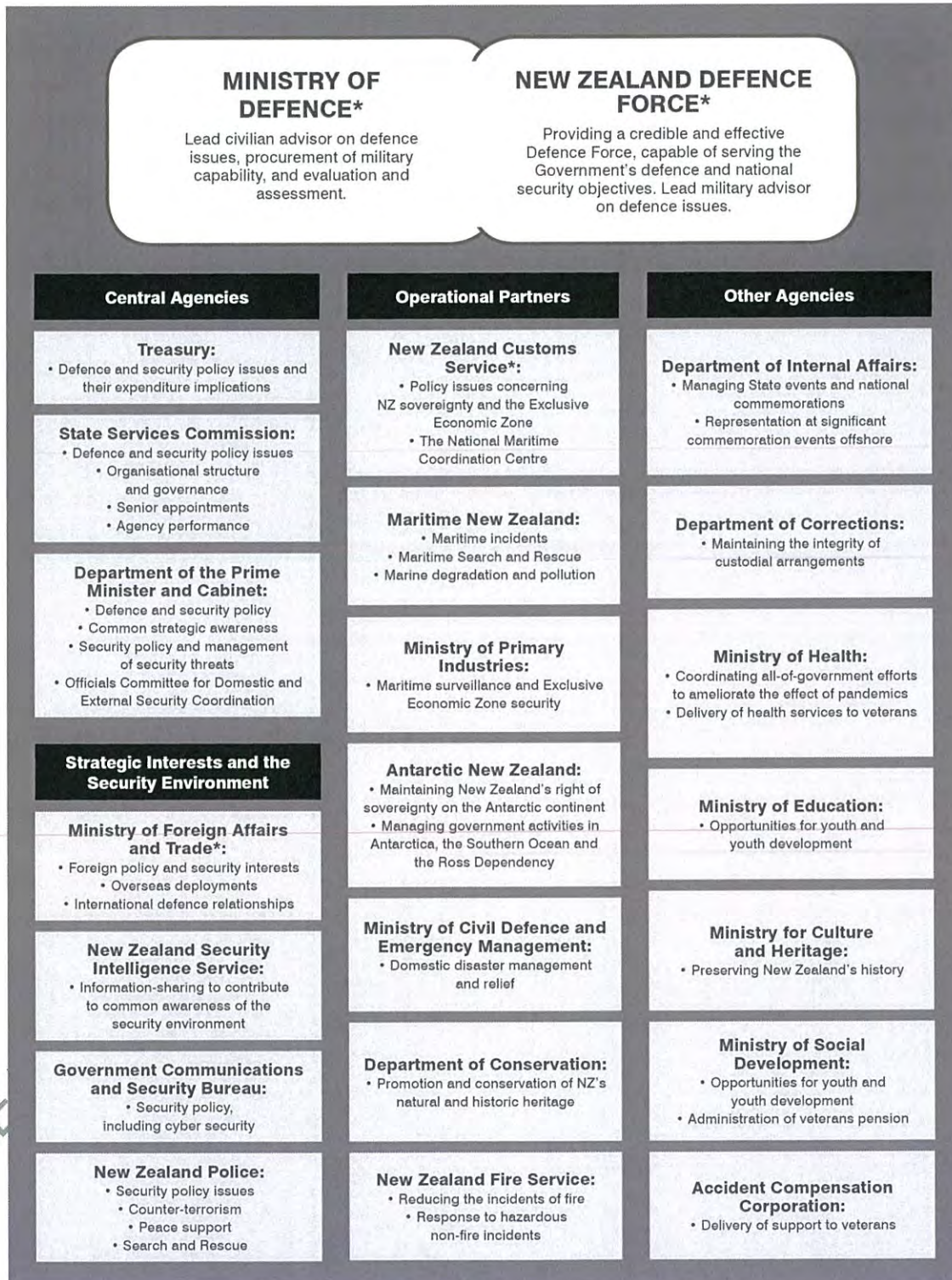
Veterans' Affairs is headed by Jacki Couchman, General Manager of Veterans' Affairs. This position is appointed by the Chief of Defence Force. The organisation of 70 civilian staff is based in Wellington and Hamilton and:

- delivers government services to the veteran community;
- provides policy advice to government on veterans' entitlements, care and recognition;
- manages the government's relations with veterans and their representative organisations;
- plans the attendance of veterans at commemorations of significant military anniversaries in partnership with the NZDF; and
- provides ex-service memorials and maintains 183 Services Cemeteries throughout New Zealand.

In the coming year, Veterans' Affairs will deliver significant work programmes to do with implementing new veterans support legislation, and provide support to the NZDF work programmes for commemorative activity associated with the World War I centenary.

## Defence Relationships with other Government Agencies

The diagram below sets out the key government partners that the NZDF and the Ministry work with on a regular basis. Further detail about the nature of this work is set out in the following sections.



\* External Sector for Estimates of Appropriation.

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# Section Two – Protecting New Zealand

## Protecting and Securing New Zealand's Interests

The primary mission of the NZDF is to secure New Zealand against external threat, to protect our sovereign interests, including in the Exclusive Economic Zone (EEZ), and to be able to take action to meet likely contingencies in our strategic area of interest. This section explains the NZDF's operational readiness, the nature of its capabilities, and the role it plays in undertaking operational activities that support other non-defence government activities.

### *NZDF Readiness for Contingent Military Operations*

The primary objective for the NZDF concerns the preparation and availability of a credible and effective Armed Force, capable of serving the government's defence and national security policy objectives. Readiness for contingent military operations is the most significant output the NZDF delivers to the Government in return for the resources provided through the appropriations.

The NZDF's readiness is a risk managed posture based on the likelihood of threats, response time, sustainability and cost. Readiness provides an effective hedge against future uncertainty, facilitating the ability to generate relevant military responses for a wide range of security situations. This requires a pragmatic approach to the management and balancing of a diverse range of resources that ultimately deliver military capabilities.

However, as each potential mission is difficult to determine in terms of what, where, when, scale, and duration, it is unrealistic and prohibitively expensive in terms of personnel, equipment, infrastructure and logistics to maintain military forces constantly at high levels of operational readiness to meet all potential contingencies.

Accordingly, the Government holds a small number of military forces at high readiness, providing it with the ability to deploy very capable forces quickly when needed, allowing the NZDF to prepare a greater scale and range of military capabilities if required. This means that some forces are held at a short notice to respond to a crisis while others are directed to a longer notice to prepare for military operations within specific response times.

### *Delivering Military Capability*

Sustaining a contingent military capability involves the maintenance of a conventional core military capability, comprising command and control and intelligence capabilities together with naval combat and support units, land force combat capabilities and logistic support groups, specialised and enabling air capabilities and the means of projecting and sustaining deployed forces.

The Navy, Army and the Air Force are the primary components of the NZDF. The Chiefs of Service have primary responsibility for the management of activities that ensure that their own Force Elements are trained, equipped and prepared for operational employment, including the engagement of joint enablers for some functions. The personnel component of these capabilities comprises full-time and part-time uniformed personnel, including the specialists needed to support deployed operations and others that are available to individually augment operational forces. The Commander Joint Forces delivers integrated joint force capabilities through additional training activities and pre-deployment validation and assessment.

These activities prepare soldiers, sailors, and airmen and airwomen, leaders and units to operate and succeed in an uncertain operational environment where the battlespace can deteriorate without warning and while there is some commonality in the way each Service generates operational capability, each is optimised to meet specific environmental imperatives.

Navy capability generation is driven largely by the need to maintain and deliver ships and their complement at readiness. The fleet training programme differs from the activities of the other Services in that maritime deployments cover a range of concurrent tasks including maritime exercises, defence diplomacy, potential operations and some training. The Army operates an annual training plan with units and formations moving through progressive stages of preparation and contingency before being ready for employment. Air Force processes are driven by the need to train and maintain aircrews at the directed state of readiness and provide air capabilities sufficient to concurrently sustain domestic outputs and deployed operations.

Reserve Forces contribute to follow-on forces and are able to augment smaller operational missions. They also provide additional capacity when Regular Forces are deployed on operations. In particular, the Reserve Force provides specialists in a wide range of roles where it is not practical or cost-effective to maintain the capability in the Regular Force on a continuous basis (e.g. Medical specialists).

The NZDF is expected to be ready to respond to tasks that may arise by maintaining contingent military capabilities and selected Force Elements at readiness. Specifically, relevant and responsive joint capabilities are organised from the maritime, land, air and joint enabling capabilities to meet the Government's requirements to conduct expeditionary military operations, regional stability missions, and react to regional crises while concurrently maintaining a high level of responsiveness for domestic non-military contingencies.

The NZDF delivers contingent military capabilities to the Government through three principal outputs that provide options for future operations. These three outputs provide for the generation and integration of combat capabilities and military forces that can be deployed, sustained and regenerated at the scales of effort required to meet the Government's requirements. Collectively they are designed to generate and sustain military forces capable of delivering effective integrated maritime, land, air and Special Operations Forces.

The NZDF also makes an important contribution to the achievement of the Government's foreign policy and security objectives through the defence international engagement programme, and contributes to all-of-government efforts to secure the borders and provide for the security of the population. It also has a valuable role to play in the wider community.

### ***Border Protection***

The NZDF contributes to all-of-government efforts to secure New Zealand's sovereign and economic borders, helping to detect, report and respond to unlawful activities in the offshore maritime zones in accordance with the Government's direction.

The NZDF is a major provider to the National Maritime Coordination Centre (NMCC) for domestic security operations to protect the nation's sovereign and economic borders. This support includes operations related to fisheries protection, illegal immigration, terrorism, smuggling, quarantine evasion, protection of offshore territories, security of offshore installations, protection of resource exploration activities and other border security tasks.

The all-of-government areas of interest also cover those nations for which New Zealand has constitutional obligations (Cook Islands, Niue and Tokelau), the Southern Ocean and the Ross Dependency.

The New Zealand Customs Service-led NMCC is responsible for the planning and coordination of government and other agencies collective needs for information on maritime activities and for the compilation of the New Zealand Maritime Picture.

The NZDF collects, processes and disseminates information on maritime traffic, suitably adapted for civil needs, to the NMCC and responds to actual or potential non-compliance with New Zealand legislation under the direction of the civil authorities. The Commander Joint Forces New Zealand is responsible for tasking appropriate military capabilities to meet NMCC requests.

### ***Assistance to the Civil Power***

This is the provision of military assistance to the civil power using specialised military capabilities or equipment in situations that are beyond the capacity of the civil power to deal with, and where the NZDF is able to provide unique capabilities not held elsewhere. Specifically, the NZDF contributes to all-of-government efforts, in times of emergency, to maintain supplies and services essential to the life and the health and safety of the community, to save lives and mitigate the impacts of a natural disaster or major emergency, and to maintain public safety.

NZDF assistance to central government, the civil power and the provision of a public service involves:

- assisting central and local authorities in times of emergency, utilising unique NZDF resources (e.g. a cohesive and well trained workforce, communications networks, logistics and land, air and sea transport) to rapidly reinforce the civil power's capacity to deal with the aftermath of a major disaster or the effects of adverse weather conditions;
- providing resources for land and maritime search and rescue operations when the safety of life is at risk;
- assisting the civil power when the New Zealand Police require assistance to maintain law and order or when public safety is at risk;
- augmenting the capacity of other government departments to deal with disruptive activities when they are beyond their control (e.g. Department of Corrections);
- assisting the movement of citizens from high-risk environments, supporting the Government's efforts to secure the safety of New Zealand citizens offshore and assisting their evacuation in times of crisis;
- working collaboratively with civil authorities to plan and prepare for emergencies; and
- participating in central and local government contingency planning and training activities.

## ***Domestic Tasks – Standing Commitments***

The NZDF has two specialised roles that are made available to the civil power on an enduring basis to ensure public safety:

- a specialised counter-terrorist group, with tactical airlift and helicopter support, to assist the New Zealand Police in counter-terrorist operations and related asymmetric threats; and
- the national response for complex chemical, biological, radiological events and the disposal of explosive ordnance and improvised explosive devices.

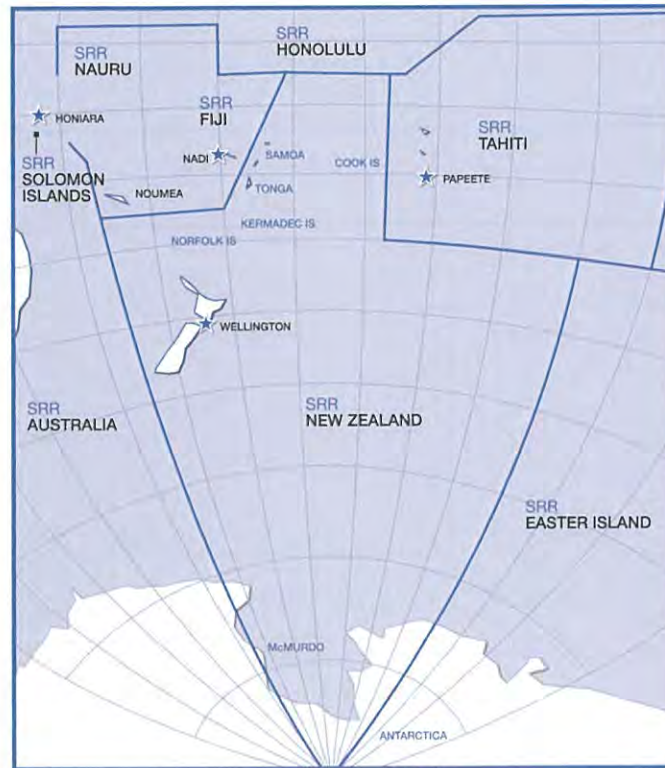
The NZDF makes available other military capabilities and responds to civil emergencies in New Zealand at the request of the civil power. With the exception of the Civil Defence and Emergency Management (CDEM) response teams, these same assets are used when responding to regional crises or conducting search and rescue and recovery missions within the New Zealand search and rescue region and adjacent maritime regions.

***At any one time***, the following military capabilities are made available to the civil power at very short notice for emergency operations in accordance with agreements between the NZDF and the lead governmental agencies:

- one Air Surveillance and Response aircraft (P-3K Orion);
- one additional Air Surveillance and Response aircraft (P-3K Orion) at longer notice;
- one rotary-wing aircraft (normally a UH1Huroquois);
- one additional helicopter at longer notice;
- one Fleet Unit capable of operating throughout the maritime zones;
- one strategic airlift aircraft (normally a C130 Hercules);
- the Logistic Ship, Landing (Amphibious Sealift);
- a specialised underwater search and recovery detachment;
- emergency (CDEM) response teams at each Base and Camp;
- two reserve emergency (CDEM) response groups;
- national Reserve (CDEM) of 500 personnel; and
- an emergency capability to respond immediately to road traffic incidents and fires in the central plateau region (Waiouru).

The NZDF is the key contributor to search and rescue and recovery operations in New Zealand's search and rescue region, the largest in the world. The region is some 30 million square kilometres in size and has been established by international agreement. It covers a large part of the Pacific Ocean from the Equator to Antarctica and from half way to Australia in the West and half way to Chile to the East. Search and Rescue operations in the region are coordinated either by the New Zealand Police or Maritime New Zealand (through the Rescue Coordination Centre, New Zealand), depending on the scale of the emergency.

Requests for assistance may also originate from Pacific Island authorities that manage adjacent search and rescue regions.



The NZDF maintains a standing arrangement to assist the Department of Corrections. When directed, the NZDF assists Corrections to control prisons, enabling the integrity of sentences and orders to be maintained, and ensuring that offenders are held to account when, due to industrial dispute, normal custodial arrangements otherwise fail.

### ***Regional Response***

Components of the NZDF are available to respond rapidly to regional security events, especially those events that demand a response for humanitarian assistance and disaster relief and when it becomes necessary to support all-of-government efforts to evacuate New Zealand citizens from high-risk areas. The NZDF High-Readiness capability allows the NZDF to react rapidly to regional crises. This includes contributions to the Anzac Ready Response Force and a range of capable maritime, land and air capabilities that enable New Zealand to act alone or in a combined response with regional partners. The NZDF has forces available at short notice that can be employed offshore in the following circumstances:

- Humanitarian Assistance and Disaster Relief operations;
- Evacuation of nationals and approved persons from high-risk environments;
- Short-notice stabilisation operations that assist a requesting nation restore law and order; and
- Air and maritime capabilities that can provide intelligence and shared situational awareness in response to unexpected events and where presence can influence events from the sea.

New Zealand's humanitarian assistance and disaster relief efforts are often provided as part of FRANZ – an agreement between France, Australia and New Zealand on sharing information and assets in response to natural disasters in the Pacific; or QUADS – a regional cooperation agreement between New Zealand, France, Australia and the United States.

### ***How Deployed Operations are Decided and Managed***

The Government, through Cabinet, decides the employment of the NZDF on military operations and any contribution New Zealand may make to peace support operations. The NZDF and other New Zealand agencies stand ready to be employed on substantive operations for a variety of reasons; specifically in response to a direct threat to New Zealand or Australia, a crisis in the immediate region or prospective discretionary contributions to global peace support operations that benefit New Zealand's wider national and security interests.

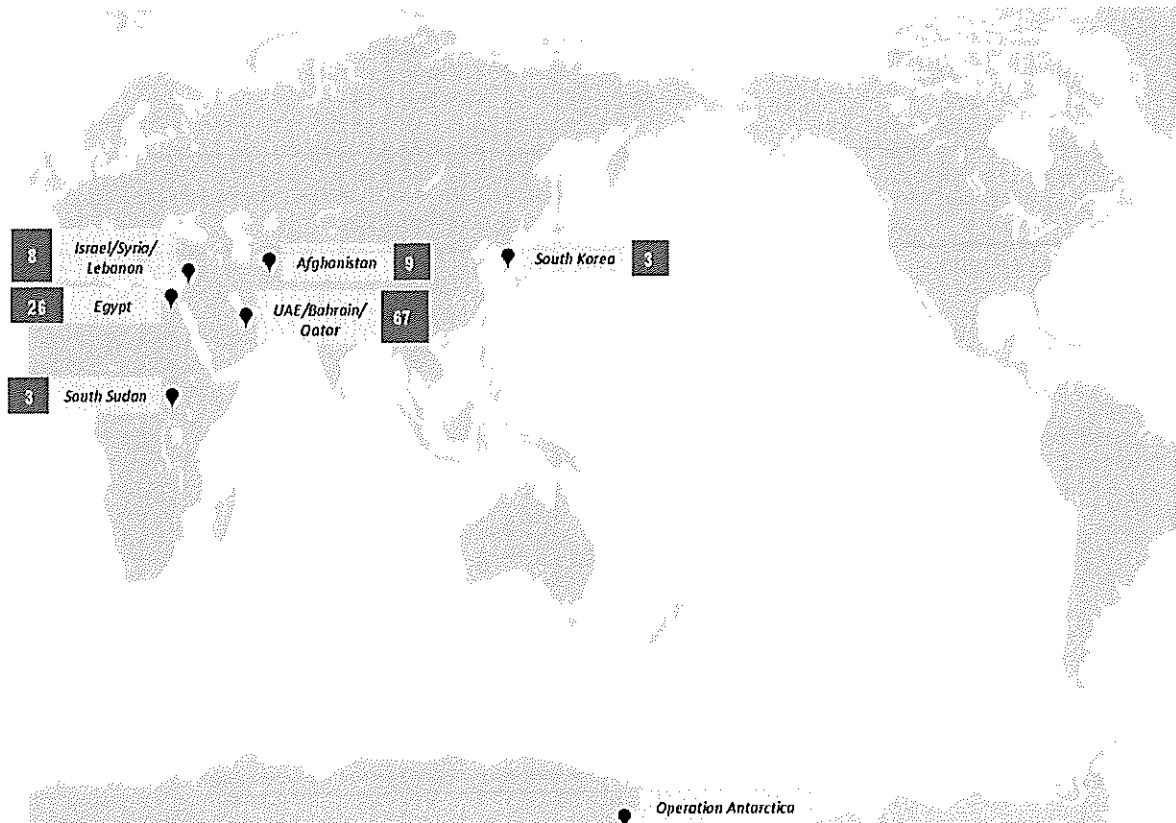
When formulating advice to Ministers about possible New Zealand contributions to discretionary peace support operations, officials (principally MFAT, Ministry, NZDF and New Zealand Police) assess potential involvement in operations on merit, the need to manage strategic expectations, the nature of the mission and the implications for governmental agencies.

Peace support responses to crises that have the potential to undermine the stability and security of the immediate (South Pacific) neighbourhood are considered non-discretionary. The NZDF has the capacity to react quickly to an emerging crisis while longer-term plans are considered. A response to a crisis involving the employment of military forces is likely to be conducted with Australia and regional partners.

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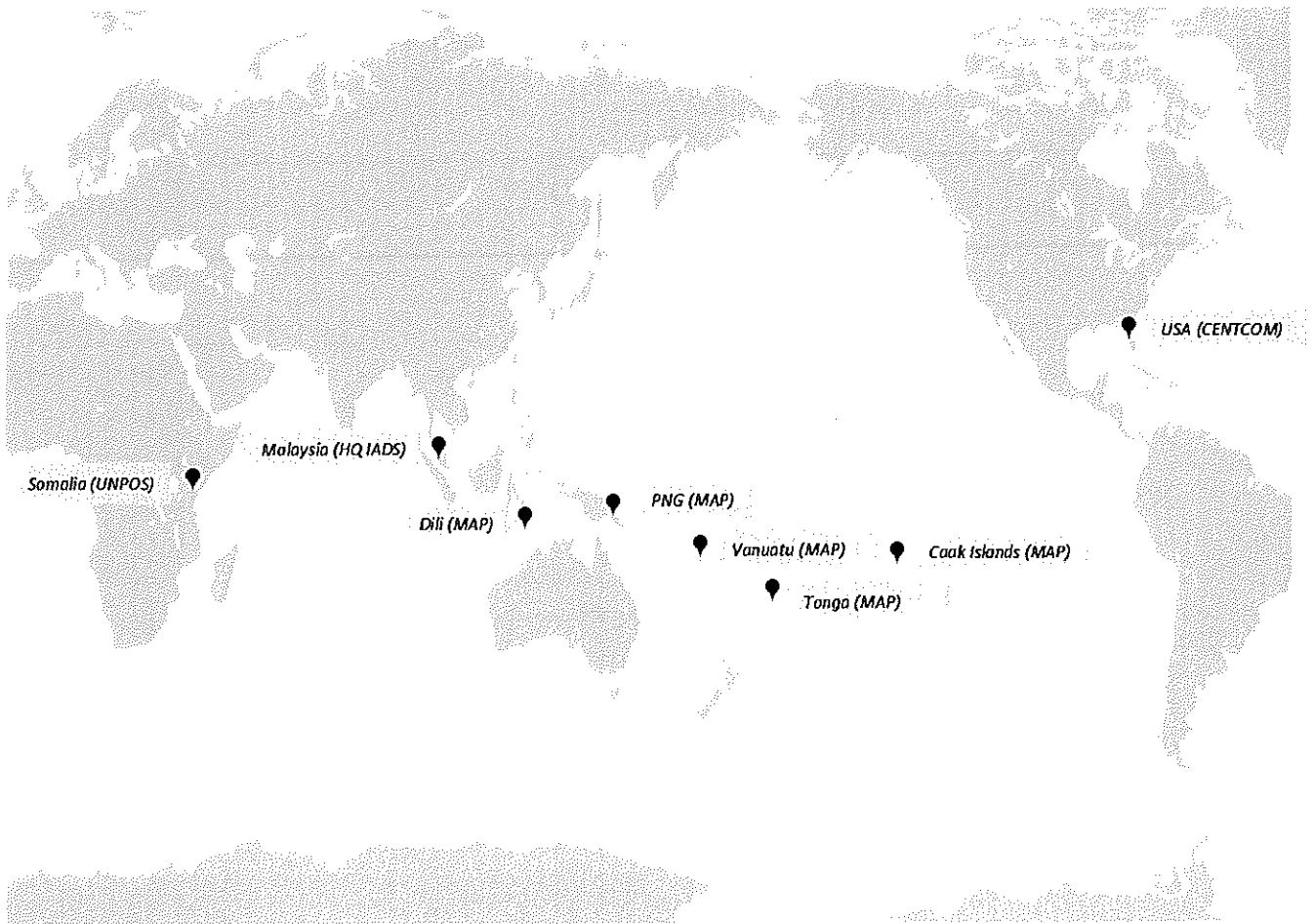
## Current Military Deployments



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<b>Afghanistan</b>	Eight NZDF personnel are currently deployed to Afghanistan as part of the UK support to the Afghan National Army Officer Academy.
<b>Afghanistan</b>	One RNZAF pilot is deployed to Afghanistan on [redacted] as part of a United Kingdom deployment of a flight of CH-47 Chinook helicopters.
<b>UAE</b>	Four NZDF personnel are deployed to the United Arab Emirates providing logistics support to NZDF personnel deployed in the Middle East.
<b>UAE, Bahrain, Qatar</b>	50 NZDF personnel are deployed to Qatar (two), Bahrain (two) and the UAE (52) as part of the Combined Maritime Force. One P-3K2 Orion is deployed in support of Combined Task Force 150, focused on supporting counter narcotics and illegal trade.
<b>Bahrain</b>	13 NZDF personnel are deployed to Bahrain as part of the Combined Task Force 151 – the multinational task force engaged in counter-piracy operations in the Arabian Gulf.
<b>Israel, Lebanon, Syria</b>	Eight NZDF officers are currently deployed to the United Nations Truce Supervision Organisation in Israel and Lebanon and patrol the area of operations and monitor ceasefires and military activity within the region.
<b>Egypt</b>	26 NZDF personnel are providing expertise to the Multinational Force and Observers in driver tasking, courses and training. In addition, NZDF personnel monitor the operation of the Egyptian Border Guard Force.
<b>South Sudan</b>	Three NZDF officers are currently deployed to the United Nations Mission in South Sudan monitoring factional fighting between the government and anti-government forces following an attempted coup.
<b>Korea</b>	Three NZDF officers are currently deployed to United Nations Command, Military Armistice Commission, providing support to operations, watch-keeping and corridor control.
<b>Operation Antarctica</b>	In the summer months, Operation Antarctica, historically involving up to 170 personnel, including those based in Christchurch, will provide air transport and logistical support to the New Zealand Antarctic Programme, managed and coordinated as a close partnership through Antarctica New Zealand.

## Other Deployed Personnel



### UNPOS

One person is seconded as the Senior Military Adviser to the United Nations Political Office in Somalia. They are also the co-chair of the UNSOM Defence Policy Working Group.

### HQ IADS

The Headquarters Integrated Air Defence System mission is to prepare assigned forces for and participate in the external defence of Malaysia and Singapore under the Five Power Defence Arrangements by providing effective command, control and coordination, and by delivering and facilitating combined and joint exercises, training and education.

### MAP

The Mutual Aid Programme (MAP) delivers assistance to MAP partner countries via Mutual Assistance Training Teams, technical advisors, NZDF courses, limited resource provision and exchanges and attachments.

### CENTCOM

An NZDF National Planning Element and operational support has been based in US Central Command (CENTCOM) in Florida since 2001. They provide a liaison and planning function.

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The NZDF also has 136 people overseas on non-operational deployments, such as exchanges, courses and other postings (116 of these are based in the UK, USA, Australia and Canada):

- Exchanges facilitate interoperability, understanding and potential transfer of skills and ideas, as well as to advance the international defence relationship;
- NZDF personnel attend professional and development courses run by foreign and partner militaries to provide a broader educational experience and more varied educational base for the NZDF to draw upon. The NZDF also offers positions on a number of courses in New Zealand to various foreign militaries; and
- The NZDF posts personnel to positions overseas through either a commitment to fill a position offered by a partner in their organisation, or into formed units which support NZDF operations in the deployed environment, such as the New Zealand Defence Support Unit (South East Asia) in Singapore.

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# Section Three – Strategic Settings

## The Context for Strategic Guidance

The Defence White Paper, and supplementary policy direction, describes the Government's expectations of the NZDF preparation for the conduct of military operations and other directed tasks. This direction is the primary vehicle that facilitates all other planning with the NZDF.

## NZDF Strategy – Future 35

The NZDF Strategy, Future 35, provides a road map for the modernisation of the NZDF, building on the Government's Defence policy goals as set out in the *Defence White Paper 2010*. The strategy will deliver a relevant NZDF that is well trained, well equipped and ready to deal with the challenges of an increasingly uncertain security environment.

This strategy is based on the Government's direction to Defence as well as an assessment of the risks and threats facing the nation in the years to come. Starting from the Government's clearly defined roles and tasks for the NZDF, the strategy identifies the ways and means to meet the NZDF's strategic objectives, which in turn determine the priorities for investment.

Future 35 reflects the NZDF commitment to meet the Government's expectations of having an effective and affordable military, capable of providing enhanced security for New Zealanders. It balances the requirements of today, and the likely need in the future to address different security challenges.

Recognising that the global security environment and the capabilities required to deal effectively with it will continue to evolve and that resource levels may change, the NZDF is committed to reviewing this comprehensive plan on a regular basis to ensure that it continues to meet the needs of the Government and New Zealanders.

**Future 35 articulates three time-bound strategic end-states out to 2035:**

### ***Delivery of a Joint Task Force by 2015***

The focus of capability development has been on orienting Navy, Army and Air Force units and capabilities into a Joint Task Force. The Joint Task Force is a reorganisation of the NZDF's current frontline operational and support units from all three Services into an integrated and coherent force capable of deploying and sustaining operations in New Zealand or the South Pacific. It will be able to work independently or as part of a larger coalition effort. Its individual components will be separately deployable and able to integrate more effectively with other nations and civilian organisations.

### ***Enhanced Combat Capability by 2020***

Realising the capability intentions will mean that by 2020 the NZDF will have enhanced its combat and combat support capabilities on maritime, land, air and joint warfare operations, including the capabilities in the evolving information domain. The NZDF will also have enhanced its ability to support governmental agencies both domestically and as part of all-of-government operations overseas.

## ***An Integrated New Zealand Defence Force by 2035***

Founded on the capabilities developed in the mid-2020s, the NZDF of 2035 will continue to demonstrate expertise in the maritime, land, air and information environments, delivering operational effects in innovative ways and be able to play a key role in the larger national security system; able to pre-empt, or react to, both contemporary and emerging threats.

### **Defence Mid-point Rebalancing Review**

As a result of the increase in fiscal pressures since the publication of the *Defence White Paper 2010*, there was a need to reconsider NZDF funding, outputs and capability intentions. In 2013 the Government sought options on how to address the imbalance between defence policy, military capability requirements and funding.

This programme of work – the Defence Midpoint Rebalancing Review (DMRR) – provided options for Ministers to consider how to achieve an enduring balance between the defence policy intent set out in the White Paper, the military capabilities necessary to meet the Government requirements and the funding needed to develop the capabilities over the next 15 years.

Through the DMRR capability analysis and costing process, the NZDF gained a detailed understanding of the whole-of-life costs of each of its capabilities including the means of delivering military capability, the vital infrastructure underpinning the delivery of outputs and how best to meet the Government's expectations out to 2030.

As a consequence of Cabinet's decisions relating to future funding and capability, the NZDF has been able to effectively plan for the future, integrating people capability through effective training with the equipment and technologies that will achieve success on operations.

*Withheld under section 9(2)(f)(iv) of the OIA.*

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## NZDF Outputs

In March 2014 Cabinet agreed to a new output framework for Vote Defence and directed that the new outputs be implemented for 2014/15.

The new output framework was developed in order to meet the Government's expectations of the NZDF and deliver the outcomes of the DMRR. The new outputs clearly demonstrate the means by which the NZDF will prepare for and deliver on the roles and tasks identified in the *Defence White Paper 2010*.

Rather than being input-focused, the new output structure aligns contributions to outcomes, and is focused on the generation and delivery of military capability, the employment of the NZDF, support to veterans and the NZDF's obligations to the Government. It provides better transparency and accountability, and allows top down control for prioritisation of resources.

The output framework is illustrated in Annex 4.

## Defence Assessment

A public announcement has been made that a new Defence White Paper is notionally scheduled for 2015. The Defence Assessment will provide the underpinning advice for Government to determine if any changes are required to defence policy as currently set out in the *Defence White Paper 2010*.

The Defence Assessment will draw on recent defence and security sector reviews and undertake a review of New Zealand's strategic environment. The implications of any changes in the strategic environment for defence policy and the capability needs of the NZDF will be considered as part of the assessment.

The Secretary of Defence, in consultation with the Chief of Defence Force, will complete the assessment by November this year in accordance with the relevant provisions of the Defence Act 1990.

The *Defence White Paper 2010* stated that a fresh review would occur every five years to take account of strategic, fiscal, and other developments. Cabinet has noted that a new White Paper is notionally scheduled for 2015. The proposed terms of reference for the Defence Assessment has three steps including examination of:

- the strategic outlook with a focus on changes since 2009 and in-depth examination of some evolving areas;
- whether the strategic outlook, or our approach to managing security risks, has changed significantly enough to reconsider defence policy settings; and
- the capability needs of the NZDF, should any reconsideration of defence policy settings suggest change is required to meet policy objectives.

# Section Four – Defence Capability

## Capability Management and Governance

The *Defence White Paper 2010* defines capability as ‘the personnel, equipment, platforms, and/or other materiel that affect the capacity to undertake military operations’.

The White Paper also detailed the six phases of the capability process, defined as the Capability Lifecycle. The Secretary of Defence is accountable for the first three phases (Strategy and Policy; Capability Definition and Selection; and Acquisition), while the Chief of Defence Force is accountable for the last three phases (Introduction into Service; In-Service; and Disposal).

### DEFENCE CAPABILITIES – LIFECYCLE PHASE



While the Secretary and the Chief of Defence Force have separate formal accountabilities, the overall success of any major acquisition requires close collaboration, and the Minister (and Cabinet) expects any problem to be addressed by both Chief Executives working cooperatively.

This collaborative approach is reflected in Defence Capability Management governance and processes.

### ***Capability Management Framework***

Defence capability projects are delivered within a Capability Management Framework (CMF) approved by the Capability Management Board in December 2011. It describes the capability management process, sets out roles and responsibilities, and is a guide to improving the quality of Defence project management and advice to government.

The CMF was well received by Treasury and the State Services Commission. At Treasury's request it was passed to the Christchurch Earthquake Recovery Authority as a model.

Governance under the CMF is delivered by the Capability Management Board (chaired by the Secretary of Defence and the Chief of Defence Force) and the Capability Steering Groups (chaired by the Vice Chief of Defence Force, Deputy Secretary (Policy and Planning) and Deputy Secretary (Acquisition)).

## **Capability Management Board**

All programme and project business cases and Cabinet papers are approved by the Capability Management Board, the strategic decision-making body for defence capability. It includes two independent advisory members with experience in complex asset and project management in the commercial sector, and works to ensure that policy and military capability requirements are aligned.

As well as approving programme and project initiation and recommendations to dispose of capabilities, the Capability Management Board approves strategic policy and conceptual documents, considers wider strategic issues affecting Defence and the capability portfolio, including the Defence Capital Plan, risks and resourcing. It receives updates on projects in the acquisition and introduction into service phase and as recommended by the Capability Steering Groups. It also maintains oversight of NZDF-managed projects with a whole of life cost less than \$15 million.

## **Capability Steering Groups**

Operational management of specific capability projects and programmes is overseen by Capability Steering Groups, which act as project/programme boards. They are designed to provide effective project and programme governance up to and including introduction into service. They are responsible for coordinating people, resources, and finance so that the project concerned meets its milestones, and approve all project outputs before they are submitted to the Capability Management Board and monitor project-level risk.

## ***Capital Asset Management***

Many Defence capability decisions, due to the nature of Defence as a capital-intensive agency, sit within the Government's Capital Asset Management regime. The aim is to improve public sector performance by raising the quality of information used in decision making for capital asset management.

Key requirements include:

- demonstrating effective management of assets across their expected life span;
- demonstrating a level of asset management practice that is appropriate to the scale of assets under the management of the department; and
- providing Treasury with information on planned capital intention in order to inform decisions on resource allocation and business cases.

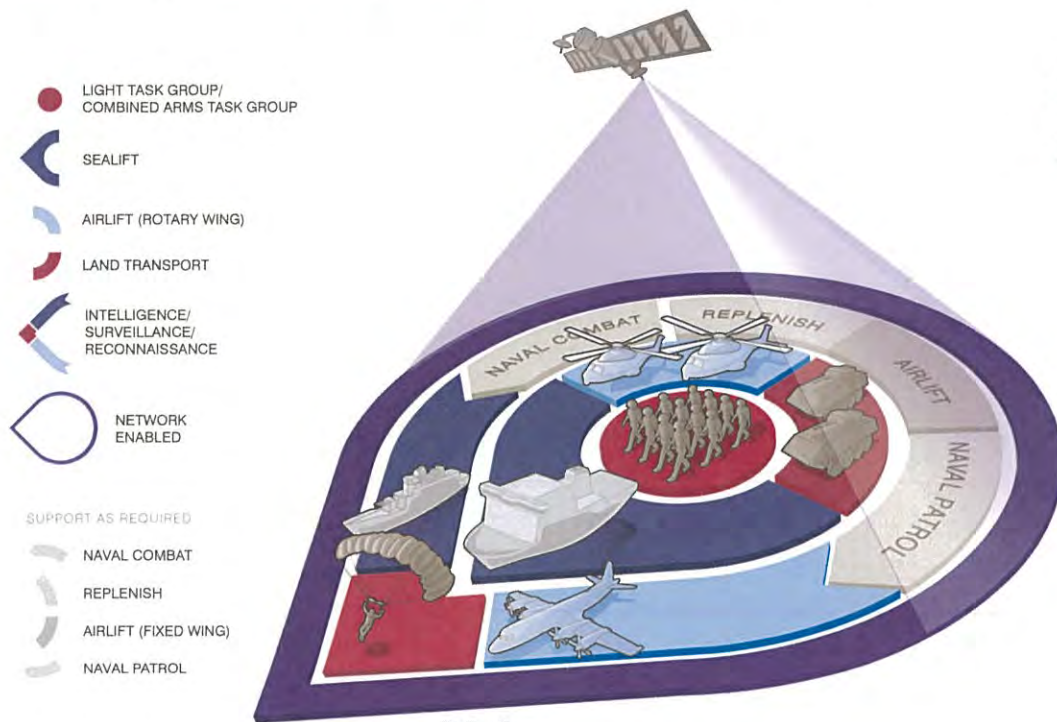
Improved Capital Asset Management enables Government to have confidence that assets will be well managed, future investment will align with the outcomes sought by government, and the current level of outputs will continue to be delivered.

Treasury's five case Better Business Case model and the State Services Commission's Gateway Review Processes are part of the Capital Asset Management process.



# Capability Plan

The Defence Capability Plan 2014 turns the Government's defence policy, as articulated in the *Defence White Paper 2010*, into real deliverables. It is military credible, affordable and achievable and provides the basis for the NZDF being 'A Force for New Zealand'. The Plan is focused in detail on the coming decade with a broader view to 2035, so as to deliver new levels of capability and new effects tailored to the expected environment.



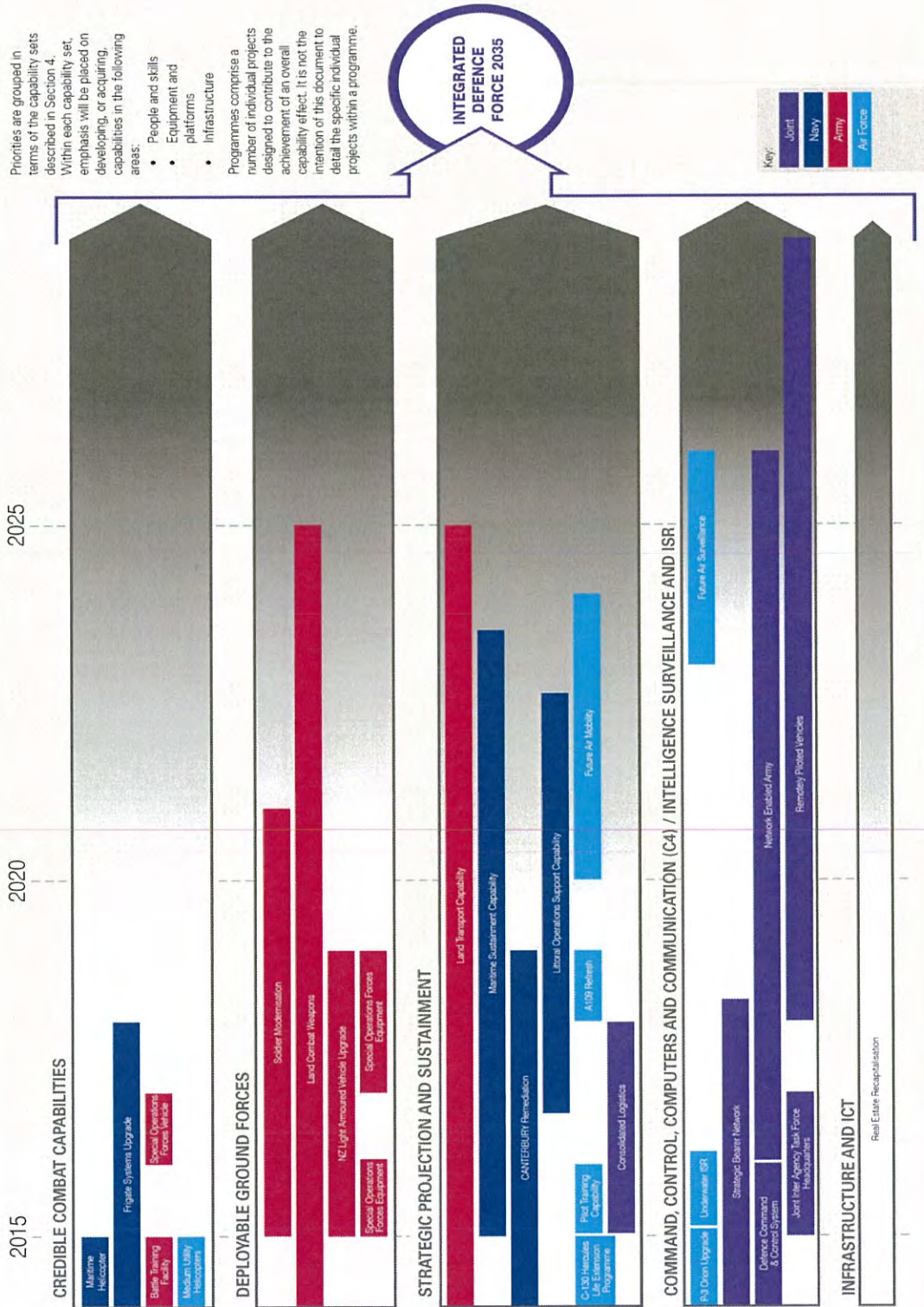
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# Capability Timeline



Priorities are grouped in terms of the capability sets described in Section 4. Within each capability set, emphasis will be placed on developing, or acquiring, capabilities in the following areas:

- People and skills
- Equipment and platforms
- Infrastructure

Programmes comprise a number of individual projects designed to contribute to the achievement of an overall capability effect. It is not the intention of this document to detail the specific individual projects within a programme.

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# Section Five – Defence Relations

## National Security Sector

Defence works closely with other agencies, including the Ministry of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet and New Zealand Police, to deliver the Government's outcomes in the national security sector.

### *Cabinet Committees*

The practice of previous administrations has been to take most defence related decisions to the Cabinet External Relations and Defence Committee (ERD) or the Cabinet Committee on State Sector Reform and Expenditure Control (SEC).

The coordination and direction of the national response to a major crisis, or circumstances affecting national security is the responsibility of the Cabinet Committee on Domestic and External Security (DES). DES also has oversight of New Zealand's intelligence community and considers policy and other matters relating to national security coordination. DES meets when required.

### *Defence and Security Sector*

ODESC<sup>1</sup> is the system through which government agencies and officials coordinate advice and support to executive government. The Chief Executive of the Department of the Prime Minister and Cabinet (DPMC) has an overall leadership responsibility for national security. Key features of the ODESC framework include:

- Domestic and External Security Cabinet Committee: the key decision making body of executive government in relation to security, intelligence, and emergency management;
- ODESC (G): a national security and resilience sector board focused on governance of the sector, systemic risk management, assurance and responsibility for the National Security and Resilience Plan;
- The Security and Intelligence Board: a group of Chief Executives focused on security and intelligence issues, such as intelligence priorities and national security investments;
- The Readiness and Response Board: a group of Chief Executives or senior alternates focused on ensuring New Zealand has the systems and capability in place to respond to significant emergencies;

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<sup>1</sup> ODESC was originally the acronym for a standing officials group which supported the Domestic and External Security Cabinet Committee. It was centred in a small secretariat unit when DPMC was formally established in 1990. The means by which today's governments coordinate national security governance, risk management advice and response activities has been significantly enhanced and systematised by successive governments, but it is still referred to as the ODESC system.

*Following the September 2014 election, the Cabinet Committee on Domestic and External Security (DES) has been replaced by Cabinet National Security Committee (NSC).*

- ODESC Watch Groups: ad hoc groups of senior officials brought together in the event of major incidents in order to oversee operations and advise DES; and
- Strategic Risk and Resilience Panel: a group of experts tasked with assessing strategic risks to New Zealand and probing our readiness.

In many emergency situations Defence plays a key part in supporting the Government response. As such, both the Chief of Defence Force and Secretary of Defence sit on ODESC and play an active role in sector activities.

## International

As a small, geographically isolated country, New Zealand uses international linkages, including defence linkages, to help amplify our reach and influence. Defence relationships play a significant role in adding substance to New Zealand's security and foreign policy.

Most notably, New Zealand has longstanding and close security partnerships with Australia, the United States, the United Kingdom and Canada. These partnerships are grounded in common traditions, experiences and values.

Australia is our principal defence and security partner. New Zealand's own security is enhanced by the investment which Australia has made in its national defence. Our security also benefits from New Zealand being an engaged, active partner of the United States.

It is in New Zealand's interests to play a leadership role in the South Pacific for the foreseeable future, acting in concert with our South Pacific neighbours.

Peace and security in East Asia rests significantly on the actions of the major powers. Of these, China, Japan, Korea and the United States are pivotal – and are all important relationships for New Zealand.

Bilateral relationships, Treaty commitments, and activities mandated by the United Nations are central to New Zealand's security, but we also benefit from other linkages which build confidence and are consistent with the rule of law. Most of the security structures to which we belong or aspire are in our own region, but New Zealand's new and strengthening connection with the North Atlantic Treaty Organisation (NATO) is also of value to us.

Sustaining such a range of international linkages takes effort.

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## Defence Adviser and Attaché Network

As set out in the Defence White Paper, New Zealand's security is enhanced by maintaining a variety of international linkages. The NZDF contributes to strong international linkages through active engagement, such as the assignment of Defence Advisers/Attachés.

Defence Attachés play a fundamental role in defence diplomacy and can ensure that New Zealand is aware of their host countries interests and concerns. The Defence Attaché community provides the official frontline defence presence and it is this interaction which is instrumental in building alliances, coalitions, and partnerships to ensure co-operation, burden-sharing and interoperability, as well as providing critical situational awareness, information and influence within multinational organisations.

There are currently 13 Defence Attaché resident posts with further cross accreditations to 22 other countries. Any changes to the Defence Attaché footprint normally require Cabinet endorsement, while other defence personnel exchanges and postings are determined by the Chief of Defence Force. All overseas posts, with the exception of secondments, are funded by Vote: Defence Force.



## Section Six – The Services

In responding or preparing to respond to the uncertainty of the future operating environment the NZDF manages inherent risks to operations through the delivery of collective capabilities for specified missions and tasks

The NZDF delivers joint and integrated military capabilities for deployed operations and to assist the civil power and civil authorities maintain domestic security. The correct balance between joint and single Service is the key to a successful operating model for Defence, enabling the increasingly joint nature of the operating environment. The principal responsibility of the Joint Forces Command is centred on the operational command, deploy, sustain and recovery functions of military operations in peacetime and in times of conflict and the maintenance of a comprehensive approach to domestic operations.

The capacity to integrate and successfully complete military operations originates with the three single Services: The Navy, Army and Air Force are the fundamental building blocks of the NZDF.

The Chiefs of Service are the professional heads of their respective Services and are responsible for the generation of military capability and the maintenance of organisational capability.

While a majority of Service-persons sit, organisationally, within their respective Service budgets a significant number of personnel will, at any one time, be working in other areas of Defence (e.g. Headquarters Joint Forces, Logistics Command).

### Characteristics of the Services

Maritime forces provide agile, responsive, proportionate and persistent capabilities that can operate from the open ocean to littoral and across the spectrum of security events.

Land force is the ability to exert immediate and sustained influence on or from the land in conditions of peace, crisis and conflict.

Air forces offer a number of critical functions to a joint force, with the ability to conduct multiple roles and undertake concurrent operations.

### Core Functions of the Services

#### *Joint Forces*

There are a wide range of effects that can be achieved by bringing together military capabilities from the individual Services, and integrating these components into a Joint Task Force to deliver a joint effect when employed on operations. The integration of distinct military capabilities also enables joint forces to operate in the same environments safely and more effectively.

The Chief of Defence Force has directed the Commander Joint Forces New Zealand (COMJFNZ) to execute command of NZDF military operations and exercises, and NZDF contributions to domestic security tasks, on his behalf.

COMJFNZ is required to plan, mount and conduct NZDF operations and other tasks as directed by the CDF. This is primarily accomplished through the mobilisation and deployment of expeditionary forces, including the development and maintenance of deployable component command and headquarters. With the exception of operations solely conducted by Special Operations Forces, the COMJFNZ is the operational commander responsible for all NZDF operations and the employment of military capabilities conducted on a joint basis, unless there are exceptional reasons of operational necessity to do otherwise.

Headquarters Joint Forces supports COMJFNZ to plan and conduct military operations, joint exercises, the preparation of military options for contingencies and crisis management. Joint and combined exercises enable the integration of Joint Task Force components<sup>2</sup>; maintains interoperability with security partners; and leads to successful coalition operations.

While the generation of capabilities for military operations is the responsibility of the single Services, integrating the environmental capabilities for joint operations, including the employment of joint enabler capabilities, is the responsibility of the COMJFNZ, drawing on the single Service environmental expertise and the essential enabling functions within the NZDF.

### **Navy**

The Navy's maritime forces are a component of the NZDF's joint integrated capability to defend New Zealand, contribute to regional security, enforce compliance with international law and protect national interests offshore.

Navy generates and prepares combat-capable, multi-purpose maritime forces, with integrated air capabilities, able to operate in a coalition maritime task force in the open-ocean and littoral regions of the world and maintains the capacity to command New Zealand or coalition naval forces at the Task Group level.

The Navy manages the generation and sustainment of maritime capabilities and utilises these same capabilities for non-combat tasks to assist the civil power and support other government agencies. This is accomplished by bringing maritime forces to the directed States of Readiness for operations by organising personnel, equipment and materiel, as well as the provision of individual, unit, collective and joint training, and delivery of maritime capabilities to the specifications detailed in the NZDF Annual Plan. Specifically:

- a naval combat capability with ships and the means to operate embarked aircraft; prepared to conduct sea-control operations within a coalition naval task group, protect military and commercial shipping and related operations to enforce international law and prohibit the movement of specified items, people or vessels;
- amphibious sealift capabilities prepared to project forces from sea and sustain deployed forces;

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<sup>2</sup> Including joint enabling capabilities comprising all or some of the following operational support functions: Command and Control; planning; legal advice; political and policy advice; language and regional expertise; operational intelligence; intelligence, surveillance and reconnaissance; joint logistics, joint health services, Service Police, movement; manoeuvre; sustainment; communications and information systems; integrated mission support; and budgets and accounting.

- strategic replenishment capability prepared to project and sustain deployed maritime, land and air forces;
- a deployable maritime capability prepared to conduct operations that safeguards access to and the use of harbours, inshore waters and littoral zones in New Zealand and wherever NZDF forces are required to operate;
- maritime capabilities, available for employment as a single ship or multi-ship international deployment in support of defence international engagement initiatives; and
- a shore-based capability able to implement naval cooperation and guidance for shipping and provide for the naval supervision of shipping in a crisis.

## **Army**

Land Forces have the ability to deploy forces irrelevant of whether it is for humanitarian operations or a scalable intervention to resolve conflict or promote peace and stability.

The New Zealand Army generates and prepares combat-capable, multi-purpose land forces for complex warfighting in a mid-intensity setting utilising the combined arms effect optimised for close combat; balancing concurrent operational commitments and readiness for future contingencies. The generation of land force capabilities also includes the preparation of Special Operations Forces to operate in higher-intensity environments, offering the Government unique capabilities and expanded options to achieve strategic goals.

Drawing on Special Operations Forces, command and control and intelligence capabilities, combat units, combat support, combat service support and joint enabling capabilities, land forces prepare for complex warfighting across the range of security events and maintain a high-readiness capability that can quickly react to a regional crisis or disaster.

The Army manages the generation and sustainment of land capabilities and utilises these same capabilities for non-combat to assist the civil power and support other government agencies. This is accomplished by bringing land forces to the directed States of Readiness for operations by organising personnel, equipment and materiel, as well as the provision of individual, unit, collective and joint training, that prepares and delivers land combat capabilities to the specifications detailed in the NZDF Annual Plan. Specifically:

- Special Operations Forces capable of conducting operations across the spectrum of conflict in various operating environments and executing special operations at the tactical level to achieve wider strategic, operational and tactical effects for the Government, including tasks to prevent terrorism and asymmetric threats reaching New Zealand's sovereign territory and those territories for which New Zealand has a strategic interest;
- a designated high-readiness land combat capability prepared to respond to regional crises;
- a combined arms land combat capability prepared to conduct stabilisation operations and support a host nation protect the population, assist with the restoration of law and order and attend to the immediate humanitarian needs of the people; and



- a combined arms land combat capability prepared for global employment in complex warfighting in urban and open terrain either independently or within a coalition to conduct counter-insurgency operations and deter an aggressor from engaging in hostile activities against another state.

The Army is organised along functional lines to maximise training efficiency (e.g. infantry, artillery, engineers, logistics). On operations the Army will be organised into functional units, tailored to the role and operational environment. These are referred to as Task Groups.

### ***Air Force***

The Air Force's multi-purpose capabilities contribute to the overall joint capacity of the NZDF to defend New Zealand's interests.

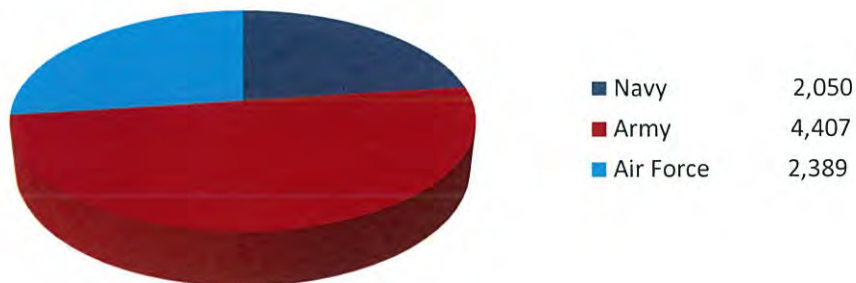
In peacetime these essential air capabilities enable routine surveillance and reconnaissance operations of New Zealand's sovereign territory and maritime domain, and support defence-wide operational training activities and the conduct of other government directed tasks. In times of conflict these same capabilities, with specialised mission and expeditionary support capabilities, are employed across the full range of military operations. The Air Force retains the capability to contribute to and be integrated in a coalition Combined Air Operations Centre at the level best suited to respond to tactical events.

The Air Force manages the generation and sustainment of air capabilities and utilises these same capabilities for non-combat tasks to assist the civil power and support other government agencies. This is accomplished by bringing air capabilities to the directed States of Readiness for operations by organising personnel, equipment, materiel and supplies, as well as the provision of individual, unit, collective and joint training, that prepares and delivers air capabilities to the specifications detailed in the NZDF Annual Plan. Specifically:

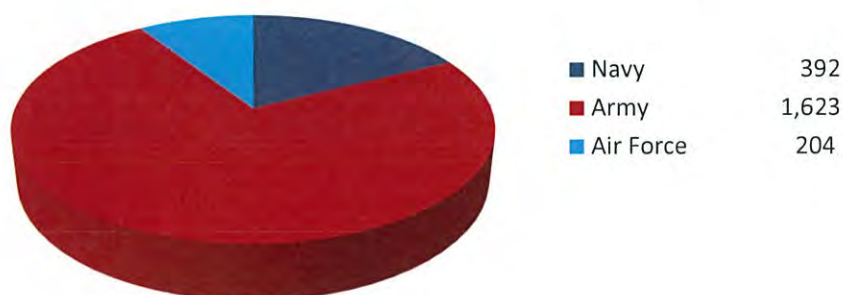
- a surveillance and response capability prepared to be employed on sea control operations;
- a surveillance capability prepared for employment on surveillance and response tasks for maritime interdiction operations;
- a naval air combat capability for embarkation in surface ships;
- a surveillance and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

## Service Personnel

### REGULAR FORCE PERSONNEL (8,846)



### RESERVE FORCE PERSONNEL (2,219)



## Service Force Elements

### Naval Force Elements (based in Devonport)

<b>Naval Combat Force</b>	HMNZS <i>Te Kaha</i> (Frigate)
	HMNZS <i>Te Mana</i> (Frigate)
<b>Naval Support Force</b>	HMNZS <i>Endeavour</i> (Tanker)
	HMNZS <i>Canterbury</i> (Multi-Role Vessel)
<b>Littoral Warfare Support Force</b>	HMNZS <i>Manawanui</i>
	Maritime Survey Team
	Operational Dive Team
	Mine Counter Measures Team
<b>Navy Patrol Forces</b>	HMNZS <i>Otago</i> (Offshore Patrol Vessel (OPV))
	HMNZS <i>Wellington</i> (OPV)
	HMNZS <i>Rotoiti</i> (Inshore Patrol Vessel (IPV))
	HMNZS <i>Hawea</i> (IPV)
	HMNZS <i>Pukaki</i> (IPV)
	HMNZS <i>Taupo</i> (IPV)

**Other** Four Reserve Units  
One Reserve Sub Unit

**Army Land Force Elements**

- 1(NZ) Brigade**
- 1st Battalion Royal New Zealand Infantry Regiment (1RNZIR) located in Linton provides a light infantry capability;
  - 2/1st Battalion Royal New Zealand Infantry Regiment (2/1RNZIR) located in Burnham provides a light infantry capability;
  - Queen Alexandra's Mounted Rifles (QAMR) located in Linton provides the Army's light armoured capability;
  - 16 Field Regiment (16 Fd Regt) located in Linton provides an offensive support (artillery and mortar) capability;
  - 2 Engineer Regiment (2 Engr Regt) located in Linton provides horizontal and vertical construction capability, and selected specialist military engineering services;
  - 1 NZ Signals Regiment (1 Sigs Regt) located in Linton and Burnham provides the communications capabilities for deployed Task Groups;
  - 1 NZ Military Police Company (1 (NZ) MP Coy) located in Trentham provides military police support;
  - 2 Combat Service Support Battalion (2CSSB) located in Linton, and 3 Combat Service Support Battalion (3CSSB) located in Burnham, provide logistic support; and
  - 2 Health Support Battalion (2 HSB) located in Linton provides operationally focused medical support

**1<sup>st</sup> NZ Special Air Services Regiment** Located at Papakura, the Regiment provides Special Operations Forces for special and counter-terrorist operations and the national response for Chemical, Biological, Radiological, Explosive (CBRE) and Improvised Explosive Device Disposal (IEDD) issues where public safety or national interest are threatened

**Reserve Force** Three infantry battalions located throughout New Zealand, two in the North Island and one in the South Island

**Training and Command Doctrine** Land Operations Training Centre located at Hokowhitu Campus, which has schools located in Waiouru, Linton, Trentham, and Burnham and is responsible for teaching and validating New Zealand Army combat and logistics doctrine;  
The Army Depot (TAD) located in Waiouru, provides recruit training, and all arms promotions courses; and  
The Army Command School (ACS) located in Waiouru provides officer training, all arms promotion courses and leadership training.

**Air Forces (based at Whenuapai)**

- Naval Helicopter Forces** Five SH-2G Super Sea Sprite (to be replaced with 10 SH-2G(I) Super Sea Sprite)
- Maritime Patrol Forces** Six P-3K2 Orion
- Fixed Wing Transport Forces** Five C-130H(NZ) Hercules; and  
Two Boeing 757-200

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**Air Forces (based at Ohakea)**

<b>Rotary Wing Transport Forces</b>	Eight UH-1H Iroquois (to be reduced to six by December 2014 and then retired on introduction of NH90 and A109); Eight NH90 Medium Utility Helicopters (under Operational Test and Evaluation); and Five A109 Training/Light Utility Helicopter (under Operational Test and Evaluation)
<b>Training Aircraft</b>	Five Beech King Air B200 (leased); and 12 CT-4E Airtrainers (leased) to be replaced by 11 Beechcraft T-6C Texan II

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# Section Seven – Capability

## NZDF Personnel

The NZDF is a unique organisation within the New Zealand public sector. The majority of its personnel are not subject to New Zealand employment legislation, as they are required to 'serve', rather than be employed, by the NZDF. The requirement to serve is based around the often dangerous and life threatening situations in which NZDF personnel are required to carry out their duties. The traditional management paradigm is replaced within a military organisation by the concept of command, which derives from the discipline and sacrifice required to achieve its ultimate purpose as an instrument of national power, and the pursuit of strategic objectives up to and including the conduct of war.

Military personnel do not have an employment contract. Instead, they serve on a period of engagement. There is no recourse to union representation, with commanders representing their personnel and having responsibility for all aspects of personnel administration within their individual commands. In the NZDF, command responsibility extends to include all aspects of HR management. Military personnel are not subject to New Zealand employment legislation.

Civilian personnel are covered by New Zealand employment legislation. Although civilian personnel can be laterally recruited, the same labour market pressures apply to their recruitment and retention. The NZDF, in developing initiatives designed to grow the future military force, must also recognise key military support skills that civilian personnel contribute to the organisational outputs, and design employment practises to attract, retain and develop highly skilled individuals, who are in high demand within the wider New Zealand labour market.

**TOTAL NZDF PERSONNEL BY EMPLOYMENT STATUS 13,955**



As a small but often heavily committed force, the NZDF must be optimally configured if it is to deliver on Government policy. It also means making sure that it has the right balance between full time and part time military personnel and between Service personnel and civilians.

The NZDF aims to provide those it wishes to recruit and retain, whether uniformed or civilian, with an attractive range of opportunities and challenges and be a flexible enough employer to meet the expectations of modern family life while still retaining the characteristics of a deployable force.

One of CDF's priorities is 'Growing the people we (NZDF) need and better supporting our military families'. He recently held a People Capability Summit in order to challenge current thinking and initiate the development of a comprehensive People Capability Strategy to generate and sustain the future NZDF workforce.

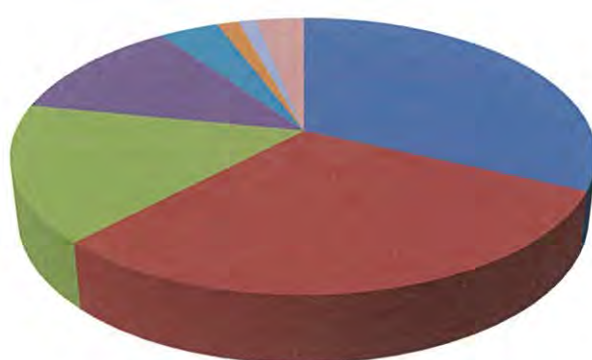
### REGULAR FORCE GENDER BREAKDOWN



### CIVILIAN FORCE GENDER BREAKDOWN



### ETHNICITY OF REGULAR FORCE PERSONNEL



New Zealander	2,826	31.9%
NZ European	2,671	30.2%
Maori	1,417	16.0%
Other European	1,084	12.3%
Pacific Islander	339	3.8%
Asian	125	1.4%
Other	104	1.2%
Undeclared	280	3.2%

### Morale and Attrition

The latest statistics show that morale has continued its upward trend. In the April-June 2014 quarter, 89% of respondents now rate their overall satisfaction with their employment in the NZDF as 'satisfactory', 'good', or 'excellent' – up from 81% during the same period a year ago. Similar positive trends are evident for engagement and military belonging. When compared with the same time last year, there have been improvements in perceptions of accommodation assistance, medical/dental provisions, and perceptions of change, senior leadership and organisational success.

The rolling average Regular Force attrition rates have continued to fall over the last 12 months from 15% to 11%. The civilian attrition rate has also fallen over the last 12 months from 14% to 13%. Staff turnover in the 2014/15 financial year is forecast to be approximately 12.8% for Regular Force and 13.0% for civilian staff.

## **Equal Opportunity Employer**

The NZDF is an Equal Opportunity Employer and takes its responsibilities to provide an equitable, inclusive and diverse work environment seriously. Underlying our efforts in this area are our organisational values of Courage, Commitment and Comradeship. The NZDF invests a lot of time and effort to ensure that all personnel are aware of the policies, processes and procedures we have available in support of equity and diversity. This includes bystander intervention briefs; unconscious bias workshops for our senior leaders; campaigns such as 'Pink Shirt Day' which aims to stop bullying; and investigator training to provide a team of people who can assist with internal investigations related to discrimination, harassment and bullying.

In 2013 a range of gender equity work was undertaken including a comprehensive review by the Ministry of Defence. The subsequent report *Maximising Opportunities for Military Women in the New Zealand Defence Force* has informed the development of a programme to deliver a comprehensive ongoing gender equity activity.

The NZDF has also established Maori and Pacific support networks, and 'OverWatch', an active support network for our GLBTI personnel. The NZDF efforts were recently recognised, winning the Supreme Award at the 2014 ANZ Diversity Awards.

## **New Zealand Defence College**

The New Zealand Defence College (NZDC) delivers common individual training and education as directed and provides pan-NZDF common individual training and education governance, management and enabling services in order to support CDF's vision for 2035 of joint operational excellence.

The NZDC leads and manages common (including joint and leadership focused) individual training and education at all levels throughout the NZDF. It provides training and education policy oversight, direction, coordination, essential enabling services and relationship management throughout the NZDF and including RNZN, Army and RNZAF training institutions. The NZDC is also responsible for managing NZDF high-level external stakeholder engagement regarding training and education issues with other government departments, Massey University, NZQA and various tertiary providers.

The NZDC is part of the Vice Chief of Defence Force's portfolio and, on his behalf, the Commander NZDC leads NZDF common learning delivery, enabling and centralised learning services, support and governance. Commander NZDC manages the interface between NZDC, the Services and Joint Forces New Zealand and is responsible for ensuring that NZDF personnel are trained to meet NZDF common and joint capability requirements through the provision of appropriate individual training and education strategies, resources and infrastructure.

The NZDC is headquartered at Hokowhitu Campus near Palmerston North but maintains a decentralised presence in 10 NZDF camps and bases throughout New Zealand and has 260 staff, including 160 civilians and 115 women.

## **Health and Safety**

Health and Safety was prioritised in 2013 as a key organisational issue. The NZDF has been implementing a range of initiatives to reinforce the focus required on health and safety:

- The Health and Safety Committee is now one of three standing committees of the NZDF's highest leadership board, and key health and safety metrics and reports on emerging trends are reported monthly;
- To provide more effective policy guidance, the NZDF has implemented the Health and Safety Management System, allowing the NZDF to align health and safety within the Services and Groups;
- The NZDF is attempting to improve its ACC partnership rating from primary to secondary, as one of the tools for lifting organisation-wide health and safety performance; and
- The NZDF is on track to meet the Government injury reduction target of 25% by 2020, and is on track to meet its own target of reducing serious harm incidents by 10% by 2016.

The NZDF Health and Safety Strategy (2014) defines the strategic objectives required to develop the organisational health and safety culture and deliver a compliant and high standard of performance.

The NZDF Health and Safety Management System provides the basis for procedures and practices that will be employed by all members of the NZDF, contractors and visitors working for the NZDF, and is scheduled to be in place by April 2015.

## **Reserve Forces**

Reservists are part time members of the NZDF who, in addition to their civilian employment, serve in the Navy, Army or Air Force. Following a Cabinet decision in August 2011 Army Reserve Forces were restructured, merging six battalion groups into three battalions but maintaining a minimum of 1,200 funded Army Reserve positions. Further changes to Reserve Forces will be considered as the Total Defence Workforce concept is further developed. The Total Defence Workforce is a cornerstone to using our Reserves to better support Regular Forces with cost effective, high value manpower and specialist skills.

## **Youth Development**

The NZDF operates a number of youth development programmes, in support of other government agencies. The Youth Development Unit is a tri-service unit and has a posted strength of 117 (94 military staff and 23 civilian staff).

- Limited Service Volunteer Programme: The Limited Service Volunteer (LSV) programme was expanded in 2010 at government request. Under the current programme the NZDF is contracted to the Ministry of Social Development to train up to 1,500 young people. The trainees are in the age group 18 –25 and are in receipt of the unemployment benefit. They are volunteers and subjected to military law whilst under training.

The courses run for six weeks and are fully residential. The training is conducted in three sites, Burnham Camp (Christchurch), Trentham (Wellington), and Hobsonville



(Auckland), and there are a total of 15 courses run nationally each year, five across each site. The programme is designed to instil life skills (such as self confidence, team work, and personal accountability) with the aim of enhancing employment opportunities. Approximately 50% of LSV graduates go on to full time employment or training for employment.

The NZDF also provides support to the younger youth age group. This support is collectively referred to as Youth Life Skills and is in three primary areas:

- **The Service Academies Programme:** This is designed to re-engage secondary students at risk of dropping out of mainstream education. There are currently 27 schools involved in this programme. The programme is managed by the Ministry of Education, with NZDF support.
- **Military Activity Camps Programme:** The NZDF supports the Ministry of Social Development (Child, Youth and Family) in this programme, which is conducted at Te Puna Wai, a CYF facility near Christchurch. The programme targets high end youth offenders who have received a custodial sentence. Four courses are run each year, with a capacity of 10 on each course.
- **Blue Light:** This is a trust which provides training nationally for young people. The NZDF's involvement is primarily in the area of leadership training.

### ***New Zealand Cadet Forces***

Cadet Forces are a voluntary youth development partnership programme between the Government and the community. Membership consists of secondary school aged teenagers and youth leadership supported by the community. There are 3,500 cadets and 400 youth leaders in 99 units throughout the country who are trained and mentored by the NZDF and funded for locally by their support groups.

### **Ministry of Defence Personnel**

Ministry people come from a variety of backgrounds, including diplomats, Service men and women, and some who have worked in challenging overseas environments.

Of the 76 permanent staff at the Ministry:

*Withheld under section 9(2)(a) of the OIA*

At the time of the 2012 PIF review, the Ministry's demographic was ageing, predominantly male, and of limited ethnic diversity. In mid-2012, 57% of the Ministry's employees were over the age of 50. This is currently 47%.

The Ministry has progressed a workforce strategy to:

- deliver a modern approach talent management that can offer career options to staff of all ages, including younger staff;
- increase the proportion of women in the Ministry (over the year to July, two-thirds of new hires were women, and the proportion of women in management roles has increased to 30%);
- ensure that critical skills and knowledge are passed on in advance of key retirements over the next few years; and
- increase diversity of skills and backgrounds in key areas where these are lacking.

The Ministry shares key support functions, including IT, property and security with the NZDF, but receives HR services through an arrangement with the Intelligence Community. This reflects the Ministry's status as a civilian, but military-partnered agency. Among the Ministry's priorities under this arrangement is to offer a talent management approach that is integrated with the external and security sector.

## Defence Estate

The Defence estate is a critical enabler for the NZDF's military capabilities and the support it provides to other government agencies and the community. While substantially reduced in size in the last two decades, the estate comprises approximately 81,000 hectares and 5,000 buildings spread across nine camps and bases, two large training areas and a number of local support facilities. The replacement value of buildings and infrastructure is approximately \$2.8 billion which incurs approximately \$50 million of depreciation annually for capital investment. Annex 5 provides an overview of the current Defence estate footprint.

Various Defence estate reviews have acknowledged that historic under-investment has resulted in an estate that is increasingly unfit for purpose and in many cases degraded. Consequently, the NZDF's capabilities and general effectiveness are being negatively affected and unnecessary costs imposed.

In 2013 Cabinet approved funding in the 2013 Defence Capital Plan for infrastructure recapitalisation, which will also support the consolidation of many activities within and between its core locations. There are no plans to change the overall number of camps, bases, or training areas, but how they are used may change over time.

The NZDF's focus over the next 10 years will be to invest in safer, more modern and fit for purpose real estate, reduce the operating costs associated with maintaining estate beyond its economic life, and at the same time support business or organisational changes. Planning is currently underway to identify investment priorities and confirm the delivery programme. The potential benefits to be realised from recapitalisation are:

- modern, sustainable, energy efficient, and fit for purpose buildings that meet Defence and government needs;
- greater organisation and asset resilience; and
- where asset consolidation/co-location is pursued:
  - a reduced maintenance burden;
  - economies of scale achieved by concentrating like activities at fewer facilities; and
  - reduced inventory holdings.

NZDF personnel will be based as far as practicable in facilities and at locations that support Defence requirements while supporting family stability, employment and education opportunities.

## Finance and Resources

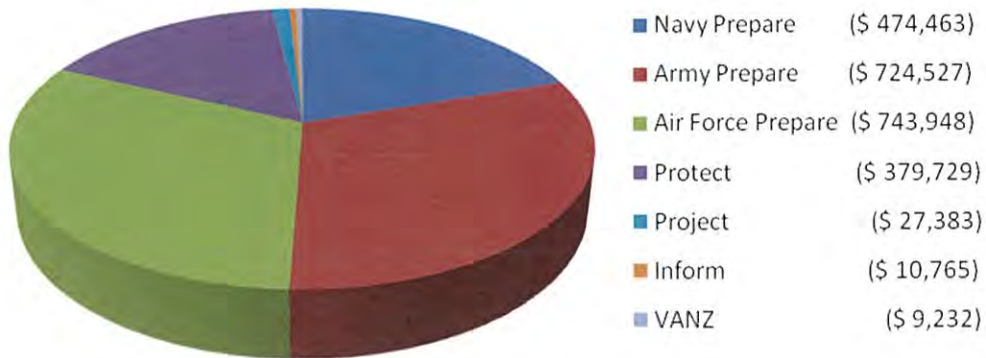
The total NZDF appropriation for 2014/15 is just under \$3,087 million. This includes \$2,370 million for departmental output expenses covering the following:

- A total of \$1,943 million on Air, Army and Navy capabilities prepared for joint operations to provide the Government with a range of military forces to protect and advance the security and interests of New Zealand; and
- A total of \$418 million on Multi-Category Appropriations for Advice to the Government, Operations Contributing to New Zealand's Security, Stability and Interests, and the Protection of New Zealand and New Zealanders.

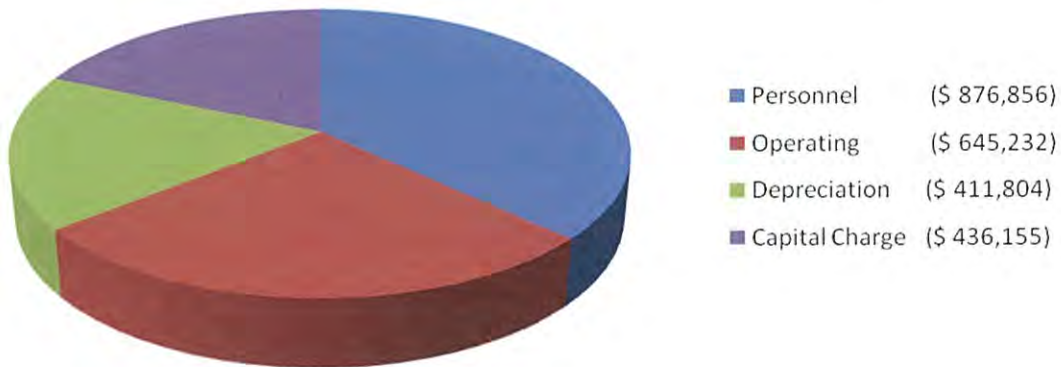
Also included within Vote Defence Force is \$146 million for Veterans' Affairs. Of this \$137 million are non-departmental expenses.

There is a capital expenditure appropriation of up to \$726 million for the purchase of assets in 2014/15.

**VOTE DEFENCE FORCE TOTAL OUTPUT EXPENSES 2014/15 (\$000)**



**VOTE DEFENCE FORCE TOTAL INPUT EXPENSES 2014/15 (\$000)**



**Information Technology**

***Human Resources Management Information System***

The NZDF has successfully rolled out Wave One (Payroll and Leave) of its new HR system based on SAP Human Capital Management. Wave Two (Career and Performance Management) is now underway. The project is forecast to be completed in early 2015.

The system replaced the NZDF's ageing HR platforms and covers almost 14,200 people. Alongside greater accuracy and efficiency, the new system is able to produce better HR data to help leaders manage the NZDF.

While it is still early days, it is clear that the new system works as designed. Importantly, from a payroll perspective the system is performing to expectations, with error rates significantly lower than were experienced with the legacy system.

***Veterans' Support Services***

In 2009 the Veterans' Operating System project was established by Veterans' Affairs to replace the current system, which is considered to be at end of life and will not support the new requirements for case management or allow performance reporting.

In 2010 the Law Commission released a major review with 170 recommendations to modernise the outdated War Pensions Act 1954. In October 2012, Cabinet considered and approved a suite of papers responding to the Law Commission Report and agreed to a \$60m package of additional funding, which enabled the introduction of modern legislation to replace the 1954 Act. The current War Pensions Act 1954 will be replaced with modern legislation in the form of the Veterans' Support Act, which will contain two distinct date based Schemes (the introduction of universal accident compensation on 1 April 1974 is the point of division between Scheme One and Scheme Two).

The Veterans' Support Services project was formally stood up in August 2013 to enable the new Veterans' Support Act. The project is charged with the implementation of new processes, business change and new systems that are aligned to the new legislation. The project is governed by the Capability Steering Group, and the General Manager of Veterans' Affairs is the business owner.

The Veterans' Support Services project has three lines of activity – the Legislation stream, Scheme One implementation and Scheme Two implementation. Overall responsibility for the project rests with the General Manager Strategic Programmes (within the NZDF). PricewaterhouseCoopers has been engaged to undertake business integration activities which includes project management, process design, development of Scheme One and Two business requirements, change management activities, benefits management, and risks and issues management. A number of NZDF staff have been seconded into the project team.

The implementation date for Scheme One is 7 December 2014 and implementation for Scheme Two will be 12 months later on 7 December 2015.

## Logistics

In 2010 the NZDF consolidated its common logistics functions into the Defence Logistics Command (DLC). The DLC performs deep level maintenance, repair and overhaul; supply chain management and operations; commercial services (procurement and payment); and shared services (non-deployable camp and base support) functions for the Services and Joint Forces New Zealand. The DLC consists of 1,691 personnel (886 are uniformed servicepersons and 805 are civilian staff). DLC has a presence at each of the NZDF's major camps and bases.

In performing its assigned functions, the DLC uses the capabilities and capacities of three major contracts with Babcock (NZ) Ltd at Devonport Naval Base for the Navy; Lockheed Martin International Ltd at Waiouru, Linton, Trentham and Burnham for the Army; and Safe Air Ltd at Woodbourne for the Air Force.

These multi-million dollar contracts have been in existence since the late 1990s, when the NZDF outsourced its depot level logistics functions. The contract with Babcock (NZ) Ltd is undergoing renegotiation for a further five years this year, the contract with Lockheed Martin was executed in 2010 for a period of 10 years and the contract with Safe Air Ltd was renegotiated for four years in 2014. The contracts with Babcock (NZ) Ltd and Safe Air Ltd expire naturally in 2020 and the NZDF expects to go to market for provision of depot level logistics services to the Navy and Air Force from about 2018. There may be further opportunities to consolidate depot level support contracts at that time.

The DLC has formed strategic alliances with its three large contractors and with the New Zealand Defence Industry Association. These alliances are based on a set of principles which shape and govern collaborative behaviours by the NZDF and its key contractors. The DLC intends to expand these strategic alliances to all suppliers who attract an annual spend

of more than \$20 million (strategic suppliers). Examples of these are BP (NZ) Ltd (fuels, oils and lubricants), Compass Group Ltd (catering and hospitality), and The Workwear Group Ltd (clothing and accoutrements). Over time, the alliances will be replaced by Partnering Agreements.

The DLC is an active participant in New Zealand industry engagement. This recognises that of the NZDF operating expenditure, 80% is consistently spent within New Zealand and 76% of the NZDF operating expenditure spend on maintenance, repair and overhaul of military hardware is spent in New Zealand.

## Defence Technology Agency

The Defence Technology Agency (DTA) is the primary provider of research, science and technology support for the NZDF. DTA provides expert, timely and objective advice and expertise to support current, developing and future NZDF capabilities, and operations. DTA's mission is to practice "the innovative application of science and technology to enhance NZDF's capacity to secure and protect New Zealand and its interests."

DTA currently employs 78 scientists, engineers, and technical and business support staff, most of whom are located at DTA's laboratory on the Devonport Naval Base.

DTA provides research, science and technology support in the following areas:

- **Networked Force Development:** Network Enabled Capability is an important influence on the future of operations in the information age and is therefore a key driver in future capability requirements. The Networked Force is the NZDF concept that recognises the convergence of Network Enabled Capability and the need to effectively operate both with other military forces in coalition operations, domestic government agencies and non-Government organisations both in New Zealand and overseas.
- **Structural and Capability Analysis:** Analysis of structures, capabilities and operations for the purpose of informing decision making. It includes the provision of research, science and technology support for NZDF experimentation, war gaming and simulation.
- **Force Protection:** The NZDF is operating in an increasingly complex operational environment in which asymmetric threats are more likely. Providing NZDF Force Elements with the best possible protection is an important combat multiplier. This work improves the protection of both NZDF platforms and personnel, and includes chemical and biological defence.
- **Human Performance:** Operational capability is delivered through people. They are the sole component of capability with the intrinsic ability to generate value. This work is geared towards enhancing human performance and improving the human-machine interface.
- **Through Life Support:** Equipment management is a whole-of-life concern. Appropriate research must be undertaken in order to reduce the through-life costs of a capability. Technological support is provided for acquisition, through-life support, mid-life upgrades and disposal.

There is an increasing level of domestic external research, science and technology support for the NZDF, most of which is engaged directly with the DTA. Formal relationships include:

- Auckland UniServices Ltd: for Intellectual Property commercialisation and other services from the University of Auckland;
- Institute for Environmental Science and Research Ltd (ESR): for support to the NZDF in the area of chemical and biological defence and associated technologies;
- University of Otago: for human systems research;
- Massey University: for a range of research, science and technology, teaching, and other support services; and
- Callaghan Innovation: for technology development and technology transfer assistance.

*Withheld under section 9(2)(g)(i) of the OIA.*

*Withheld under section 6(a) of the OIA*

The main value NZDF derives from DTA is through the following activities:

- providing scientific advice to support acquisitions and operations;
- providing solutions to technical problems as they arise;
- identifying and assessing future technologies to enhance the NZDF's capabilities;
- developing technologies that provide new capabilities; and

- enhancing the use and extending the lifespan of current capabilities.

DTA is also providing value to NZDF, and to the New Zealand tax payer more broadly, by working with the private sector to transfer technologies which often emerge as a 'by-product' of our work for the NZDF. Historically, DTA has had some modest successes from licensing technologies. In more recent times DTA has adopted a more rigorous approach to this work which provides increased benefits and decreased risk to the NZDF through more robust licence agreements.

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## Section Eight – Preserving and Commemorating History

The Chief of Defence Force is responsible for the planning and delivery of all overseas national military commemorations. In addition, the NZDF supports the delivery of domestic national military commemorations. This function is undertaken through the Heritage, Commemorations and Protocol Group, HQNZDF.

### ***WW100 – New Zealand's First World War Centenary Programme***

The NZDF is one of four funding partners of WW100, New Zealand's First World War Centenary Programme. The NZDF is contributing to a number of major projects and activities within the WW100 programme, including military commemorations, heritage trails, publications, and support to community projects and commemorations.

Priority over the next six months is participating in the Albany Convoy Commemorative Event in Australia, which marks the departure of the first Australian and New Zealand troop ships for the First World War, and planning for Anzac Day 2015.

### ***Gallipoli 2015***

The Chief of Defence Force has overall responsibility for New Zealand's planning of the Anzac Day 2015 Gallipoli commemorations, which was recently transferred from the General Manager Veterans' Affairs New Zealand. Attendance at the centenary commemoration has been limited to 10,500 people, with attendance passes allocated by public ballot in March 2014. 2,000 passes have been allocated to New Zealanders and 8,000 to Australians. The remaining 500 places will be allocated to official representatives from Australia, New Zealand, Turkey and other nations which took part in the Gallipoli campaign. New Zealand official representatives for the Gallipoli 2015 commemorations are yet to be finalised.

*Withheld under section 6(a) of the OIA.*

### ***Anzac Day 2015***

In addition to commemorations at Gallipoli, the NZDF will also be participating in significant Anzac Day commemorations in Belgium, France, London and in major cities across Australia.

A week of activity is planned in Wellington in association with Anzac Day, including the opening of National War Memorial Park (18 April), the unveiling of the Australian Memorial (20 April) and civic and national Anzac Day commemorations (24/25 April). High public interest in these events is expected. *Withheld under section 9(2)(g)(i) of the OIA.*

The NZDF aims to have military representation at as many Anzac Day commemorations as possible throughout New Zealand in 2015. The HCP Group is working with the Royal New Zealand Returned and Services' Association and a range of other national organisations to understand the range of commemorations that will take place, and the type of NZDF support and involvement that is desired to assist with the allocation of resources.

## Museums

There are three Service Museums supported by the NZDF: the Royal New Zealand Navy Museum at Torpedo Bay, Devonport; The National Army Museum at Waiouru; and the Royal New Zealand Air Force Museum at Wigram, Christchurch.

Each of the museums is governed by an independent and incorporated charitable trust board that owns the collections. Ownership of the museums' buildings rests either with the NZDF or the trust boards.

As with other New Zealand museums of significant status, the three Service museums receive a public subsidy for their operations. In financial year 2013/2014 this amounted to \$8m from Vote: Defence Force.

The accountability of the Service museum trust boards for the operation of the museums and the expenditure of public funds is currently under internal NZDF review. In addition, the Ministry for Culture and Heritage (MCH) has commissioned a business case to review current arrangements around the recording, collecting, and exhibiting of New Zealand's military history with a focus on the national level. The business case will also examine the feasibility of establishing a National War Memorial Museum in Wellington and will be carried out in consultation with the NZDF and other stakeholders.

The former Chief of Defence Force, Lt. General (Rtd) Rhys Jones, has been appointed Executive Director, Military Heritage, at MCH, to lead the business case development, which is scheduled for completion by 31 December 2014.

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# Section Nine – Annexes

## Annex 1 – New Zealand Defence Force Leadership



**Chief of Defence Force**  
Lieutenant General  
Tim Keating



**Vice Chief of Defence Force**  
Air Vice-Marshal Kevin Short



**Chief Operating Officer**  
Will Peet



**Chief of Navy**  
Rear Admiral Jack Steer



**Chief of Army**  
Major General Dave Gawn



**Chief of Air Force**  
Air Vice-Marshal Mike Yardley

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**Commander of Joint Forces NZ  
Major General Tim Gall**



**Chief Financial Officer  
Jo Devine**



**Warrant Officer of Defence Force  
WO1 Danny Broughton**



**Chief of Staff HQNZDF  
Commodore  
Ross Smith**



**Assistant Chief  
Capability  
Commodore  
John Martin**



**Assistant Chief  
Personnel  
Brigadier  
Howie Duffy**



**Assistant Chief  
Strategic  
Commitments &  
Intelligence  
Air Commodore  
Tony Davies**

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## Annex 2 – Ministry of Defence Leadership



**Secretary of Defence  
Helene Quilter**



**Deputy Secretary, Defence  
Tony Lynch**



**Deputy Chief Executive,  
Strategy, Governance and  
People  
Bryn Gandy**



**Deputy Secretary, Finance  
Bryan Westbury**



**Deputy Secretary, Evaluation  
Alicia Wright**



**Deputy Secretary, Acquisition  
Des Ashton**

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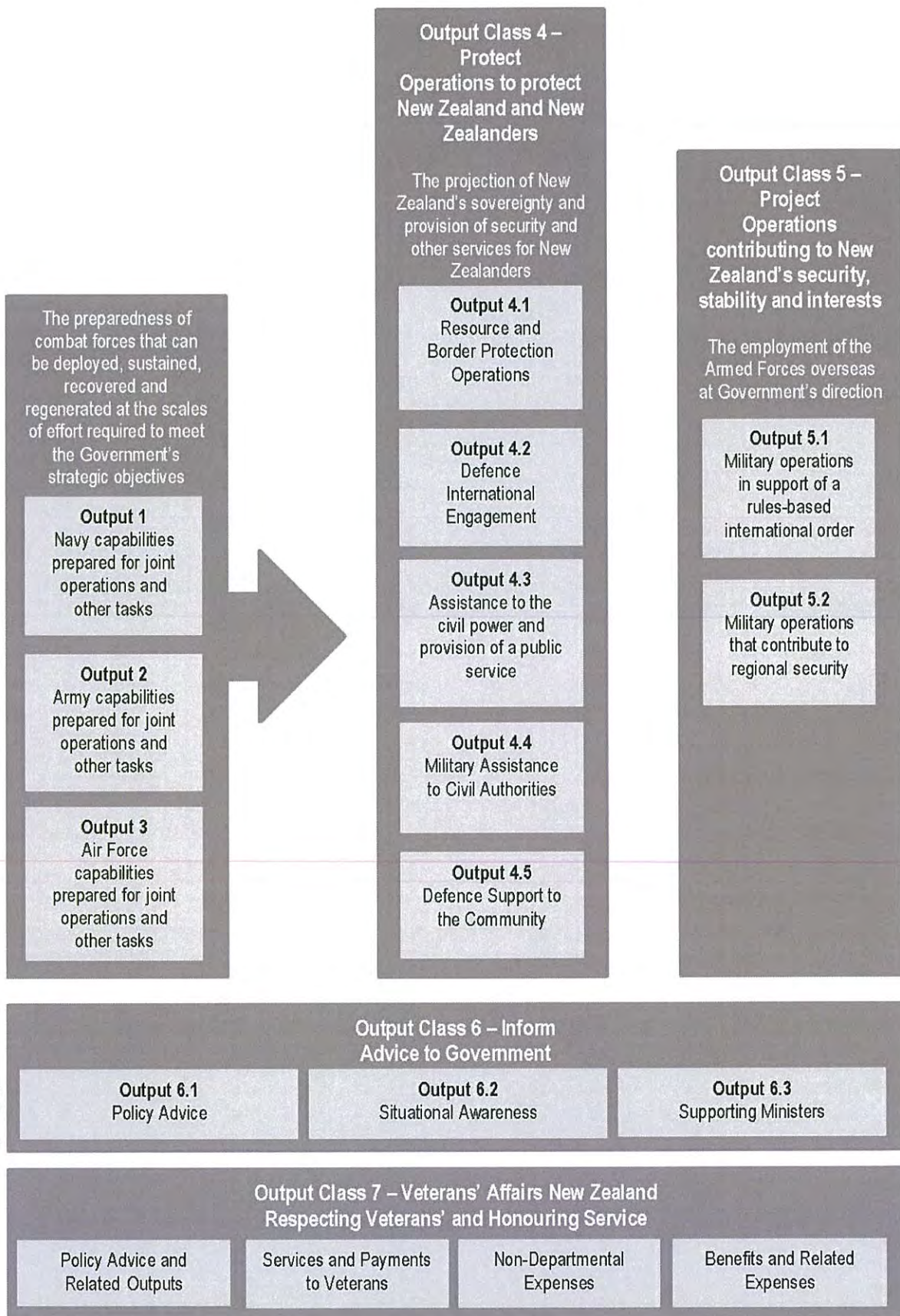
## Annex 3 – Appointments

Territorial Force Employer Support Council	
Member	Representation
Peter Townsend	Chair
Brigadier Jon Broadley	Director General Reserve Forces and Youth Development
Hon Heather Roy	Local and Central Government
John Allen	Ex-officio
Martin Brennan	Canterbury and Upper South Island Representative
Linda Cooper	Youth Mentoring
Grant Crowley	Wellington and Hawkes Bay Representative
Stephen Cunningham	Youth Development
Neville Donaldson	Trade Union
Christine Fernyhough	Primary Sector Representative
Bill Holland	Bay of Plenty Representative
Dr Virginia Hope	Health Representative
Vanessa Stoddart	Business New Zealand Representative
Dr Pauline Kingi	Ethnic and Diversity Affairs Representative
James Lockhart	Manawatu and Kapiti Coast Representative
Steve Maharey	Education Representative
Allen Mazengarb	Taranaki Representative
David McGregor	Auckland and Northland Representative
Jerry Rickman	Waikato Representative
Sir Julian Smith	Otago and Southland Representative
John Spencer	Strategic Relationships
Tui Te Hau	Women's Affairs

New Zealand Defence Industry Advisory Council	
Member	Representation
Greg Lowe (Chair)	Regional Manager, Beca Group
Heather Deacon	Chief Executive, Safe Air Limited
Mike Wardlaw	Managing Director, Babcocks NZ Limited
Chris Simpson	Executive Chairman, Lexel Systems
John Nicholson	Operations Manager, Aviation New Zealand
Bernie Diver	Chair of the New Zealand Defence Industry Association

The current New Zealand Defence Industry Advisory Council membership also includes ex officio members from the NZDF and the Ministry.

## Annex 4 – NZDF Outputs

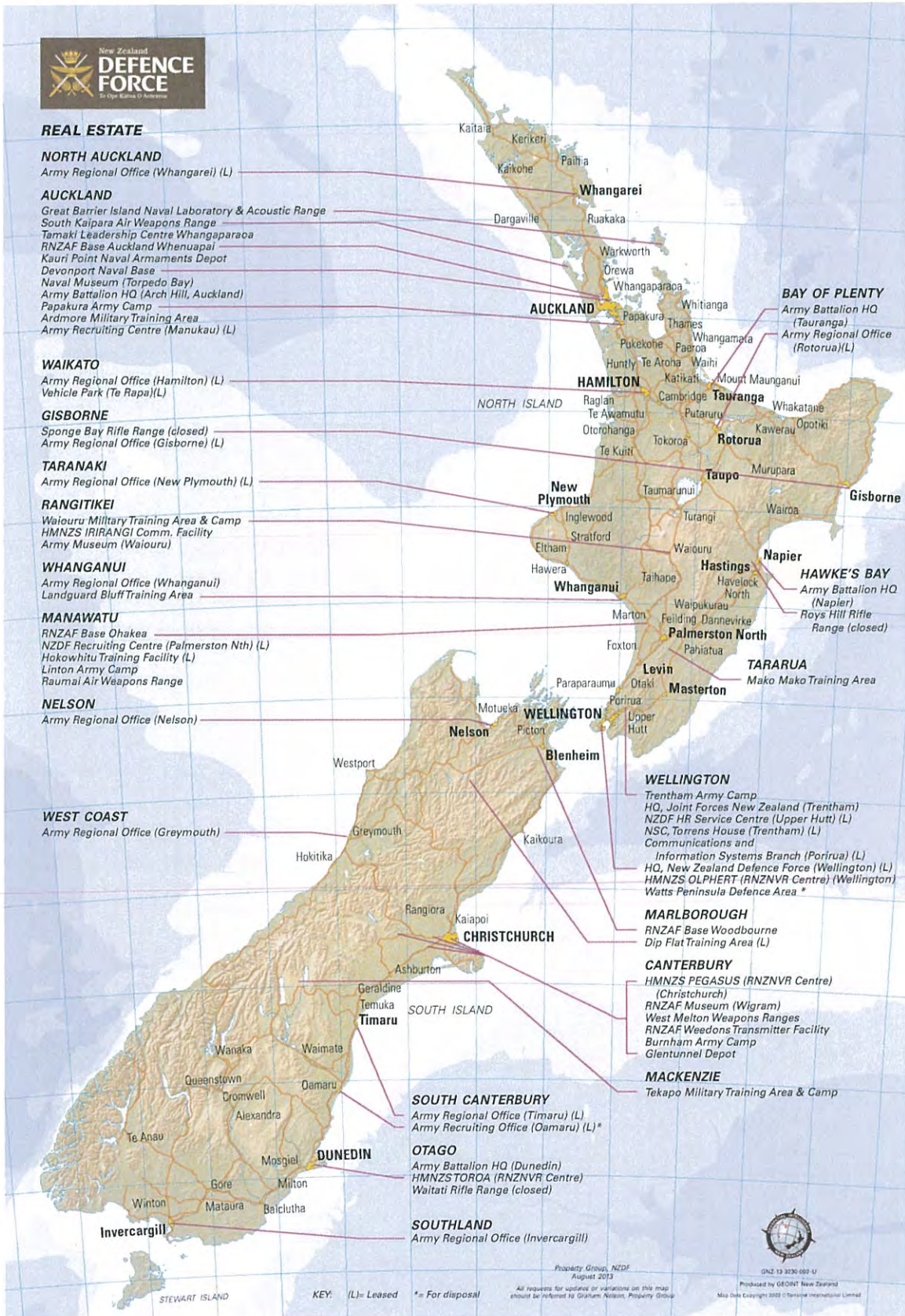


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# Annex 5 – NZDF Estate

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