Statement of Intent
2009 - 2012

New Zealand
Defence Force
Te Ope Kaatua o Aotearoa

Presented to the House of Representatives Pursuant to Section 39(1) of the Public Finance Act 1989
Cover Pictures (from left to right):

(1) HMNZS CANTERBURY as viewed from the foredeck of HMNZS TE MANA.

(2) The Medium Range Anti-Armour Weapon (MRAAW).

(3) Iroquois helicopters. The Iroquois helicopter, first introduced into service with the RNZAF in 1966, is due to be replaced by the NH-90 medium lift helicopter in 2010/11.
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## List of Abbreviations
Foreword: Minister of Defence

I am pleased to present the 2009 - 2012 Statement of Intent of the New Zealand Defence Force (NZDF).


There is little doubt that the NZDF is currently working at or near to full capacity. Its current overseas operational commitments, together with operations and tasks in and around New Zealand in support of other government agencies and the introduction of new and updated equipment, has demanded a total effort by the Defence Force. The dedication of the men and women of our Armed Forces brings great credit to our nation. They continue to do of their very best at home and abroad. What now needs to be questioned is how the Armed Forces can best meet the military capability requirements that the government may require of it and what changes are needed for the future. This is the main focus of Defence Review 09.

Defence Review 09 will provide a fresh look at the capability requirements that shape our defence forces to ensure that they have the right balance for the foreign policy and security requirements of the next decade. Special attention will need to be given to recruiting and retention to ensure that it can meet the tasks we ask it to do. Careful analysis will also be required of the military hardware that will be utilised over the next decade. Several of the major assets that are vital to achieving New Zealand’s defence objectives will reach the end of their economic life toward the end of the next decade. Defence Review 09 will lead to a capital acquisition plan for the next 10 - 20 years.

There is now broad recognition that New Zealand’s defence policy should reflect New Zealand’s independent assessment of its security environment. This consensus has emerged as a result of contemporary foreign policy and defence challenges. New Zealand’s security interests are two-fold. First, we have to ensure security within our own region, the South Pacific. New Zealand takes a lead role in this task, along with our closest defence partner, Australia. The commitments in the region have extended over many years and have required a sensitive approach to building security and trust. Secondly, New Zealand is committed to an open and secure world where trade and commerce can be freely undertaken. It is in our interests that we play our part in building international peace and security - wherever in the world that may be.

Our region - out as far as Timor Leste - has required active, ongoing military involvement to help stabilise countries in difficulty. Many smaller nations are having difficulty in sustaining economic prosperity. It has been in our mutual interests to work together with Australia to secure stability in these nations, and within the region generally. The states of the South Pacific need to be able to see us as a reliable and secure partner and, along with Australia, we should be the first country the South Pacific states turn to when they need assistance.

The security requirements of the region go beyond assisting good governance. There are substantial marine resources to be protected. Terrorism to the north of the region often leads to a flow of refugees into the region. The island states are prone to serious disaster, especially from hurricanes. These kinds of events may well occur more often with climate change. The New Zealand Defence
Force is regularly required to assist in search and rescue, and disaster relief. The configuration of the Defence Force has to include the capabilities needed for these purposes.

New Zealand does not confine itself to the South Pacific. We also act in a wider international context where there is a demonstrated need for nations to work together to deal with key points of instability. We do so because New Zealand’s prosperity is crucially dependent on a stable, open world. Major instability is a direct threat to our ability to trade. An open international system does not just benefit places where instability exists; it is the only way to defeat the scourge of international terrorism, by offering opportunity to peoples who feel excluded. Notable examples of the success of New Zealand’s wider engagement is evident in the work of our defence forces in Afghanistan, both in the Provincial Reconstruction Team and in the use of our Special Forces, and successive deployments of an ANZAC frigate to the Gulf region on coalition operations. They clearly show the level of expertise that has been built up within the Defence Force over many years.

The tasks that the New Zealand Defence force are likely to be involved in, whether they be in peacekeeping or combat, can only be performed by well-trained and equipped military personnel. There is no longer an idealistic view that defence personnel are simply police officers in camouflage uniform. The Defence Force must have a sufficient range of capabilities to deal with any reasonable foreseeable contingency within our region. Outside our region, we are best suited to providing high-quality contributions that are internationally valued and respected. Inevitably these will be focused and specific. It is essential that we allocate sufficient resources so our defence forces are sustainable over time, and are able to deliver the level of security our country needs.

The above requirements lead to the need for a Defence Force that has: deployable land forces (for both combat and peacekeeping), the means to deploy those forces at short notice, agility and versatility once deployed, and the patrol and surveillance capability of the oceans surrounding us, both for military and civilian tasks. A balance of force elements from the Navy, Army and Air Force is required to perform the maritime, land and air tasks required of the defence force in the years ahead.

Until some robust defence policy can be laid against the results of Defence Review 09, I support the priorities and strategic initiatives currently being pursued by the NZDF and as contained in this Statement of Intent. The next three years covered by this Statement of Intent will include the initial implementation of the defence policy resulting from the Defence Review. I look forward to being involved in moving the New Zealand Defence Force into the future to better achieve the wider security outcomes desired by all New Zealanders.

Hon Dr Wayne Mapp
Minister of Defence
27 April 2009
**Introduction: Chief of Defence Force**

This Statement of Intent focuses on the medium term. It emphasises the core business of the NZDF - including our strategic priorities, how we go about managing our business and how we intend to measure our performance.

The New Zealand Defence Force (NZDF) is a professional Defence Force with specialist operators in the sea, land and air environs. But we conduct our business in an integrated way which creates a joint effect; greater than the sum of the single Service parts. Everyday our servicemen and women are contributing their skills to this joint effect in Multi-Agency Operations and Tasks in the New Zealand environment, in peacekeeping operations, security and stability operations, and defence diplomacy activities overseas.

Our recent past continued to be characterised by a high activity tempo. The combination of our commitment to operations overseas, to multi-agency operations and tasks in and around New Zealand, and to the process of modernisation of the Defence Force has provided some real challenges in the maintenance of the personnel base, the serviceability of equipment and the preparedness of force elements for higher-threat operations.

During 2007/08, and during the current period, the NZDF fulfilled all of its required obligations to the government: the Navy had deployed a major part of its Naval Combat Force, the frigate HMNZS Te Mana, in support of coalition operations in the Persian Gulf; the Army had deployed company groups in Afghanistan and Timor Leste and a platoon group in the Solomon Islands; and the Air Force had elements of the Rotary Wing Transport Forces deployed in Timor Leste. In addition to the other 60-odd personnel deployed on other operational missions around the world, the NZDF, the Navy and Air Force in particular, continued to conduct operations and tasks in the New Zealand environment in support of other agencies of government - Fisheries, Customs, Police, and so on. At the same time, the NZDF was preparing to accept into service the seven new vessels for the Navy, under Project Protector, and making appropriate arrangements for the upgrade and replacement of aircraft for the Air Force. I am proud of what we achieved and I know that members of the NZDF, Servicemen and women and civilian staff are too.

My main concern with a high activity tempo, in particular our commitment to operations overseas, is that the skills required for higher-end military employment are in danger of being degraded or lost. The accumulative effect of ongoing, concurrent operational deployments - at the current level - does cause significant tension between the provision of forces for current operations, and being ready for future and potentially more lethal operations. In essence, when Army force elements deploy to the current theatres of operation, they lose a proportion of their combat capability, which had been achieved up to that point. Upon return those elements need to rebuild for higher threat scenarios.

I anticipate that the NZDF will maintain a similar level of commitment to government-approved overseas operational missions over the next three years (2009 - 2012) as we have achieved in the last three years. Equally, the schedule of important operations and tasks in support of other government departments in and around New Zealand will continue.

As Chief of Defence Force I, together with my Executive Leadership Team, understand the challenges faced by the NZDF. It is these challenges that largely determine our strategic priorities for the future. The biggest challenge we face is to sustain a high activity tempo - as a matter of routine - at the same time as rebuilding and modernising the NZDF within the fiscal resources allocated to us. This challenge gave rise to the 2007/08 Defence Transformation Programme (DTP) - a programme of work designed to ensure that the NZDF, whilst preserving military capability, delivers simpler, better, more
effective and more efficient support activities in the Human Resource Management, Logistics and Headquarters areas. It is also designed to ensure that the NZDF can deliver the expectations of government’s now and into the future. This must continue to be our prime focus.

Our strategic priorities are embedded into our current list of strategic initiatives - as contained in this Statement of Intent. The most important of these initiatives enable the rebuilding and modernisation of our military capabilities and relate to Personnel (recruiting and retention) and Equipment (the orderly introduction into service of new and upgraded equipment). The equipment dimension is driven through the on-going Defence capital acquisition programme. Naturally, this programme will be reviewed during the current Defence Review.

The main items on the Defence capital acquisition programme, (new vessels for the Navy under Project Protector and replacement and upgraded aircraft for the Air Force) are being realised. As these vessels and aircraft are progressively introduced into service over the next few years, they will significantly enhance the overall military capabilities of the NZDF.

Looking forward to 2012, other major items are currently on the programme or are being investigated to improve the NZDF’s capabilities. These will all be subject to review by the current Defence Review.

Since 2005, the NZDF has been improving its organisational and management capability. Significant progress has been made and these now need to be embedded and matured. Work will continue on improving the NZDF management and governance processes.

The NZDF will not be immune from the current global financial turmoil. As clearly directed by the Government, we need to ensure that every dollar spent achieves value for money. We are endeavouring to achieve this through the DTP and other recent efficiency and effectiveness programmes, and will continue to highlight this requirement in our plans for the future.

At this time, the Defence Outcomes and the NZDF Mission Statement have not changed. I welcome Defence Review 09. That review will be primarily focused on providing recommendations for the most appropriate defence capabilities required to meet New Zealand's security interests. This should ensure that New Zealand's armed forces have the right balance of capabilities for the foreign policy and security requirements of the next decade and beyond.

Subject to the results of the current Defence Review, the Outcomes and Mission Statement continue to reflect the Government’s defence policy and future intentions. Regardless of the current challenges, improvements continue to be made in the way the NZDF operates. I remain confident that our longer-term vision of “Three Services as One Force, being the best in everything we do” is being achieved.

J Mateparae
Lieutenant General
Chief of Defence Force
New Zealand Defence Force
27 April 2009
Statements of Responsibility

Ministerial Statement of Responsibility

We are satisfied that the information on future operating intentions provided by our respective departments in this Statement of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.

Hon Dr Wayne Mapp
Minister of Defence
27 April 2009

Hon Judith Collins
Minister of Veterans’ Affairs
27 April 2009

Chief of Defence Force Statement of Responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the New Zealand Defence Force, including Veterans’ Affairs New Zealand. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2009/10 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.

J. Mateparae
Lieutenant General
Chief of Defence Force
New Zealand Defence Force
27 April 2009

M. Horner
Corporate Financial Officer
New Zealand Defence Force
Counter-signed
27 April 2009
Section 1: Nature and Scope of New Zealand Defence Force Functions

This section outlines the major high-level policy guidance and links regarding the nature and scope of New Zealand Defence Force (NZDF) functions.

The NZDF is the only provider of armed forces to the New Zealand Government, and the Chief of Defence Force is the Government’s prime adviser on military policy, including the use of the military capabilities developed within the NZDF.

The Defence Act 1990

The primary legislation concerning the raising and maintaining of New Zealand’s armed forces is the Defence Act 1990. That 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 Defence Act 1990, New Zealand’s Armed Forces are raised and maintained for:

• the defence of New Zealand and the protection of its interests, whether in New Zealand or elsewhere;

• the contribution of forces under collective security treaties, agreements or arrangements; and

• the contribution of forces to the UN or other organisations or States for operations in accordance with the principles of the charter of the UN.

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

New Zealand’s Defence Policy

New Zealand’s defence policy has been undergoing a major evolution since the end of the Cold War. We are now clearly in a new era with new and demanding challenges. Over the last decade there has been a substantial evolution in defence.

Generally, New Zealand’s security interests are to:

• defend New Zealand and to protect its people, land, territorial waters, EEZ, natural resources and critical infrastructure;

• meet our alliance commitments to Australia by maintaining a close defence partnership in pursuit of common security interests;

• assist in the maintenance of security in the South Pacific and to provide assistance to our Pacific neighbours;

• play an appropriate role in the maintenance of security in the Asia-Pacific region, including meeting our obligations as a member of the Five Power Defence Arrangements; and

• contribute to global security and peacekeeping through participation in the full range of UN and other appropriate multilateral peace support and humanitarian operations.
Defence Review 09

The Government has initiated a review of Defence (known as Defence Review 09) leading to the publication of a White Paper. Completion of the review is the Government’s top priority for Defence in 2009. In general terms, Defence Review 09 will provide a fresh look at the best use of the NZDF’s capabilities.

Primary Mission of the NZDF

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”.

Links with the New Zealand Community

The NZDF’s links with Government Defence policy not only provide Defence Force contributions to the resolution of conflict and maintenance of stability, but also provide a wide range of assistance to the New Zealand community. For example, NZDF contributions to the community include the following:

• The provision of additional skills to society via Reserve and Territorial Force personnel.

• The NZDF encourages innovation, and promotes high standards in education.

• The education and skills given to members of the Armed Forces add value to the wider New Zealand community when those members take their release; especially those who take release at the 10 to 20 year mark.

• The NZDF promotes a healthy Defence Industry in New Zealand.

• The NZDF will buy New Zealand made where considered prudent and within current government requirements/limitations.

• The NZDF supports other agencies of government to assist in maintaining the security and wellbeing of New Zealanders. For example, the NZDF has formal and informal arrangements in support of the NZ Police, the NZ Customs Service, Ministry of Emergency Management, Civil Defence, and so on, all aimed at keeping New Zealanders safe/secure and promoting safer communities.

• The NZDF promotes fitness and better health.

• The NZDF promotes and supports initiatives that enhance the capacity of young New Zealanders through the Limited Service Volunteer (LSV) Scheme, the NZ Cadets Forces, and relationships with schools at the local level throughout New Zealand.

While these links are important to the NZDF and to the community, they arise simply as by-products of being a Defence Force per se.
Section 2: The Strategic Environment

This section outlines the external environment in which the NZDF operates. It also introduces the use of Employment Contexts that help to focus the training of the force elements of the Navy, Army and Air Force on the most likely security events to which a New Zealand Government might be expected to make a military response.

Our Operating Context

While New Zealand is unlikely to face any conventional military threat in the foreseeable future, non-conventional global and regional security challenges could have serious implications for New Zealand. These challenges include terrorism, increasing intra-state conflict, threats to our forces deployed abroad in multilateral operations, global criminal networks, nuclear proliferation, problems arising from weak governments in our region and beyond, and competition for maritime resources in the South Pacific.

In order to face these challenges, our defence and foreign policies must work in partnership to secure our territorial, economic, social and cultural interests, and to meet our collective regional and global responsibilities.

The pressures on the international community to intervene to restore stability within or between countries are greater than at any previous time in our history short of global conflict. This is evident in the highest ever level of United Nations (UN)-led operations - 18 operations with more than 110,000 personnel deployed. Consequently New Zealand is frequently asked to contribute to these peace support missions. Currently the NZDF has about 400 personnel deployed on 14 separate operations in ten countries, including contributions to five UN-led missions. We are frequently asked to do more, but are mindful of the need to maintain a timely response capability in our own region in the event of untoward developments.

NZDF contributions to UN and other UN-sanctioned multi-national peace support operations are a tangible demonstration of the importance New Zealand places on contributing to international peace and stability, in particular the principle of collective security. Our current contributions in Timor Leste, the Solomon Islands and Afghanistan, as well as the Middle East and Africa, underscore our credentials as a good international citizen. They have also reinforced and, in some cases established, New Zealand’s profile in areas of considerable international tension.

Over the past three years New Zealand has been playing a crucial role in Timor Leste and currently contributes military personnel to the Australian-led International Security Force (ISF), and the United Nations Interim Mission to Timor Leste (UNMIT), as well as having training and advisory staff embedded in the Timor Leste Defence Force under the Mutual Assistance Programme (MAP). Our extensive involvement reflects the importance New Zealand attaches to stability and security in the Asia Pacific region, and to assisting a regional country in time of great need.

Closer to home, the South Pacific is not immune to the effects of state fragility. The Australian-led Regional Assistance Mission in the Solomon Islands (RAMSI), to which the NZDF continues to be a major contributor, is a Pacific response to a neighbour’s request for help. While security continues to improve, we expect to be needed there in support of the Police-led mission for some time.

The South Pacific will continue to be a key focus for the NZDF. Transnational problems such as organised crime, money laundering, and the illegal movement of people and goods are placing additional stress on neighbouring countries already facing pressing political, economic and social
problems, which are likely to be exacerbated by the current global financial crisis. The challenge for
the NZDF is to maintain mobile, responsive forces that can respond to calls for help from the region as
we are presently doing in the Solomon Islands, and as we did in Tonga following the riots in November
2006. To do this New Zealand needs to maintain strong partnerships throughout the region, especially
with Australia.

New Zealand has contributed to international efforts to promote security, governance and
development in Afghanistan since 2001, and currently operates under the North Atlantic Treaty
Organisation (NATO)-led International Security Assistance Force (ISAF). The NZDF currently leads
the Bamyan Provincial Reconstruction Team (PRT), provides key staff to ISAF HQ, assists in training
the Afghan National Army, and contributes to the United Nations Assistance Mission to Afghanistan
(UNAMA). Our various contributions are in recognition of the global implications of state failure and
demonstrate the importance we attach to multilateral peacekeeping and state building efforts.

New Zealand, as a nation that is internationally engaged, continues to work with partners to help
secure a more stable international environment. We currently have NZDF personnel deployed in
Afghanistan as part of this multilateral effort. A successful outcome there will be of benefit to the
people of Afghanistan and to the wider international community.

Our closest strategic partnership is with Australia. We have a long tradition of mutual commitment to
each other’s security and of working together in pursuit of shared strategic interests. A high priority in
the period ahead will be to work closely with Australia to ensure our forces maintain a high level of
interoperability in order to promote a secure and stable neighbourhood, as we are currently doing
together in the Solomon Islands and Timor Leste. We will continue to work closely with the Australian
Defence Force (ADF) to respond in a timely and co-ordinated fashion to a range of contingencies.

The NZDF has a good working relationship with the United States. We will continue to strengthen this
relationship through working together in support of our common international and regional security
interests. We have close operational contact with Canada and the UK as a result of common
peacekeeping endeavours and have strengthened our defence and security dialogue with both
countries. Since NATO assumed authority for the ISAF mission, New Zealand has developed a sound
functional relationship with the Organisation, ranging from access to NATO decision making on ISAF,
to high level representation at the NATO Summit in 2008 and other NATO conferences.

New Zealand is an active participant in measures designed to reinforce peace and stability in
Southeast Asia. The NZDF maintains an active role in the Five Power Defence Arrangements (FPDA)
with Australia, Malaysia, Singapore and the United Kingdom, and in adapting FPDA activities to help
build capacity to meet non-conventional security challenges. The NZDF is also active in the ASEAN
Regional Forum, which with its broad regional membership provides opportunities for New Zealand to
work with other forum members in countering terrorism and transnational crime, and promoting
regional security through participation in confidence building measures. The NZDF is particularly
active in supporting close cooperation among ASEAN Regional Forum (ARF) countries in disaster
relief and humanitarian response coordination, and in maritime security.

At the bilateral level we continue to maintain strong relationships with Malaysia and Singapore. The
latter’s welcome decision to contribute personnel to our Provincial Reconstruction Team (PRT) in
Afghanistan underlines the closeness of the relationship with Singapore and the ability of the two
forces to work together effectively in the field for peace. In other recent developments, bilateral
relations with Indonesia have been renewed with an emphasis on military education, and closer links
are being established with Vietnam.
Further north, our maturing defence relations with China, Japan and Korea, enhanced through regular defence contact and dialogue, add an important dimension to New Zealand’s engagement in North Asia, and underscore our commitment to peaceful interaction in a region of substantial and growing significance to New Zealand. The NZDF’s contribution to the United Nations Command (UNCMAC) in the Republic of Korea underlines the Government’s commitment to the Armistice Agreement until a peace agreement can be put in place on the Korean Peninsula.

With the current global economic crisis further complicating the global security outlook, the demands on the NZDF are likely to intensify as we continue to play our part in countering international terrorism, supporting fragile states, and addressing the challenges of nuclear proliferation. As part of our wider effort to meet these challenges, New Zealand has joined with a number of like-minded countries in support of the Proliferation Security Initiative (PSI), a multilateral effort to counter the illegal trafficking of weapons of mass destruction and related materials. The NZDF played a substantial role in the New Zealand-hosted PSI Exercise Maru in September 2008. And, with the broadening of security definitions in the post-Cold War era to include transnational crime, the NZDF will be called on to support measures to deal with those threats, particularly in the South Pacific.

The Employment Contexts (ECs) which follow are “environment-related” (geographically grouped) and relate directly to the tasks that the force elements of the Navy, Army, and Air Force need to train for and be prepared to deploy against should that be the Government’s requirement. The ECs are an integral part of the NZDF Operational Preparedness Framework [the NZDF Operational Preparedness and Reporting System (OPRES)] described later in this Statement of Intent.

**Employment Contexts (ECs)**

Strategic guidance provides information on the circumstances in which the Government may choose to use military forces. The NZDF uses this guidance to develop geographically grouped Employment Contexts. Employment Contexts are descriptions of representative and illustrative security events for which there is a likelihood that a New Zealand Government would expect to make a military response should they occur. They also provide a vehicle against which to develop our military capabilities and to assess and measure our preparedness for such events. Employment Contexts are selected through assessment of New Zealand’s geo-strategic situation and international security trends. The Employment Contexts are chosen on the basis of their likelihood of occurrence in the near and longer terms and the consequences for New Zealand’s Defence Outcomes if the NZDF was unable to provide an appropriate response. Employment Contexts include high level Operational Concepts which, in turn, drive Services’ and joint Mission Essential Tasks (METs), that is, those tasks that the deployed forces must be able to perform. The METs drive the priorities for the Services’ and joint annual training activities and which determine the output parameters that need to be delivered in order to meet the Government’s requirements. The Employment Contexts also designate the anticipated time (known as the Response Time) available for the final preparation of force elements for their operational deployment; this affects the level of capability that must be maintained on an annual basis. Concepts for operations and Contingency Plans (CONPLANs) can then be developed for relevant Employment Contexts. Current Employment Context Operational Concepts list the most likely force elements that would be involved in each security event. These force element lists are a guide only and are not exhaustive; each security event may require the addition or deletion of some force elements. Employment Contexts provide the detail that ensures the NZDF output quality dimension is consistent with defence policy. The Employment Contexts (ECs), which were revised in 2007 and which are covered in more detail in the NZDF Output Plan, are as follows:
NEW ZEALAND DEFENCE FORCE STATEMENT OF INTENT

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

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

• **EC 3** - Challenges to New Zealand and Australia Common Security Interests:
  - EC 3A - Illegal exploitation of marine resources within Australia’s EEZ, and other low-level threats to Australia’s territorial sovereignty.
  - EC 3B - Natural or manmade disasters.
  - EC 3C - External aggression against Australia.
  - EC 3D - Terrorist or Asymmetric Threats.

• **EC 4** - Security Challenges to New Zealand's Interests in the Asia-Pacific Region:
  - EC 4A - Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation.
  - EC 4B - Natural or manmade disasters.
  - EC 4C - State failure or fragility leading to internal conflict and/or humanitarian crisis.
  - EC 4D - Terrorist Threats.
  - EC 4E - Weapons of Mass Destruction (WMD) proliferation.

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1 The ECs that are highlighted are those that have been fully developed and against which all NZDF Force Elements are assessed for operational preparedness.
- EC 4F - Inter-State conflict.

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

- EC 5A - Aggression to alter maritime boundaries or seize resources, or threats to freedom of navigation.
- EC 5B - Unresolved conflict or conflict resolution process where protagonists have sought third party resolution assistance.
- EC 5C - State failure or fragility leading to internal conflict and/or humanitarian crisis.
- EC 5D - Terrorist Threats (The War against Terrorism).
- EC 5E - WMD proliferation.
- EC 5F - Contravention of international norms that triggers a multi-national response.
- EC 5G - Major breakdown in international security leading to wide-scale war.
Section 3: Our Strategic Direction

This section shows how the NZDF contributes to Defence Outcomes and how those outcomes are linked to the day-to-day delivery of military capabilities resident in the NZDF Outputs. It also explains the key aspects of our Strategic Plan. The diagram below outlines the linkages involved in our strategic framework.
NZDF Vision

The NZDF vision is:

*Three Services as One Force, being the best in everything we do*.  

This vision stresses that all members of the NZDF - military and civilian - must give of their best, for there is no second place in combat.

NZDF Strategic Plan

The NZDF Strategic Plan outlines the pathways the NZDF has chosen towards its joint vision of being a resilient, disciplined and professional military organisation. The NZDF Strategic Plan provides guidance for all subordinate strategic planning and for annual planning and budgeting. It is a core component within the wider architecture of the Defence Planning Framework.

The NZDF Strategic Plan provides, through the NZDF Performance Management Framework, the measurement dimension [via the NZDF Balanced Scorecard (BSC)] for corporate level reporting of progress against strategic objectives. In the shorter-term the strategic objectives are supported by annually updated strategic initiatives. The following information on the NZDF Strategic Plan is supported by and should be read in conjunction with the *NZDF Strategy Map* (diagram on the next page).

The NZDF strategy to achieve its mission and to continually grow towards its vision will be effected through the three Strategic Themes of *The Agile Force - Operationally Effective, Valued Partner - Organisational Capacity*, and *Resource Efficiency*. All NZDF activities and projects will be aligned with these three broad strategic themes and are aimed at, ultimately, “mission success”. These themes should be seen as the Agile Force as the main central theme supported equally by the other two themes - Valued Partner and Resource Efficiency - as portrayed in the Strategy Map.

The Agile Force is about being Operationally Effective. Operational Effectiveness links the objectives that will allow us to deliver the agility and organisational resilience for operational success. We must also remain agile in everything we do. The Valued Partner theme reflects the need for the NZDF to retain the trust and confidence of our partners and stakeholders. Resource Efficiency is about being the best at what we do by being selective and optimising how we use our resources. Through integration and synergy across the organisation we will release additional capacity for mission success.

The collection of strategic themes articulates how the NZDF will work together to deliver maximum value. In effect, the strategic themes provide the ‘glue’ that links together the separate objectives and initiatives of the organisation to deliver the synergies of the whole – *three Services as One Force delivering the Joint Effect* (the ability to contribute air, land and/or sea capabilities to military operations that are relevant to New Zealand’s national interests and security strategy).
The NZDF strategy is organised across four Perspectives – Our Stakeholders, Enabling Processes, Resources, and Learning and Growth.

• **Our Stakeholders.** This perspective recognises who our stakeholders are [Government (central government and other government departments and agencies) with whom we share common outcomes, the citizens of New Zealand, and our defence partners] and what our strategy must deliver for our stakeholders. It reflects the mission-focused nature of public sector organisations, subject to Government mandate and limitation. For the NZDF this covers those organisational outcomes that our strategy must deliver to meet the expectations of stakeholders.

• **Enabling Processes.** This perspective focuses on the internal organisational processes that we must excel at to meet all the requirements of the NZDF mission, effectively and efficiently, within the resources allocated.

• **Resources.** This perspective looks at how we must obtain and manage our resources base to deliver our mission. It reflects how we will maximise output effectiveness from predetermined baselines, while controlling costs.

• **Learning and Growth.** This perspective looks at how we sustain our ability to change and improve. It reflects the need to build the NZDF of the future in our people, our organisation, and our information resources.

The NZDF Strategic Objectives across the three Strategic Themes and within the four Perspectives are listed within the NZDF Strategic Initiatives table shown later. In summary, the NZDF Strategic Objectives - grouped by Perspective and showing the main priorities - for the period of this Statement of Intent (but updated annually) relate to:

• **Perspective - Our Stakeholders.** The strategic objectives are:
  - Current Operations. We need to sustain current operational commitments while introducing new capabilities (0 to 5 year timeframe) - Priority 1
  - Future Operations. We must be ready to meet the Government’s next request (0 to 10 year timeframe).
  - Finance and Resources. We must make best use of allocated finance and resources.
  - Reputation. We need to enhance our reputation as an effective Defence Force and valued interagency and coalition partner.

• **Perspective - Enabling Processes.** The strategic objectives are:
  - We must deliver effective and efficient business processes - Priority 4.
  - We must deliver agile and effective logistic support.
  - We must deliver flexible and relevant future capabilities (10 to 20 year timeframe and beyond).
  - We will develop and sustain an effective military policy capability.

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2 The priorities shown against these Strategic Objectives are those at the time of going to print; they may change over time as circumstances dictate.
NEW ZEALAND DEFENCE FORCE STATEMENT OF INTENT

- We will increase our contribution to Whole of Government Security Sector Outcomes.
- We will optimise our training systems.

• Perspective – Resources. The strategic objectives are:
  - We must equip our forces to meet current operational commitments and be ready for the next request.
  - We must optimise Defence Infrastructure to meet future needs.

• Perspective - Learning and Growth. The strategic objectives are:
  - We will be an Organisation of Choice – Priority 3.
  - We must ensure we have the people we need - Priority 2.
  - We must be good at personnel management and prepare and support the joint team - Priority 5.
  - We will grow Information Management capabilities to support the Knowledge Edge Force.
  - We will improve the ability of technology to support effective management of the NZDF.

The main intent of our strategic plan is the identification, prioritorisation and selection of, and resource allocation to, project portfolios that successfully execute NZDF strategy.

Each of the NZDF Strategic Objectives will be achieved through a number of Strategic Initiatives. The set of NZDF Strategic Initiatives are periodically reviewed. The current initiatives are shown in the NZDF Strategic Initiatives table in the next section.

Defence Outcomes

The Defence Policy Objectives can be expressed in terms of Defence Outcomes. While the NZDF is constitutionally the sole provider of military forces, it is not the sole contributor to Defence Outcomes. The Ministry of Defence, Ministry of Foreign Affairs and Trade, NZ Police, NZ Customs Service, and other departments and agencies also contribute to the outcomes.

Based on the foregoing Defence Policy Objectives the following Defence Main and Intermediate Outcomes have been developed:

• Main Outcome: New Zealand Secure and Protected from External Threats now and in the future.

• Intermediate Outcomes:
  - Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, exclusive economic zone, natural resources and critical infrastructure.
  - Intermediate Outcome 2: Reduced risks to New Zealand from regional and global insecurity.
  - Intermediate Outcome 3: New Zealand values and interests advanced through participation in regional and international security systems.
  - Intermediate Outcome 4: New Zealand is able to meet future national security challenges.
The **Main Outcome** was selected on the basis that it encapsulates both the local (New Zealand) and international intent of the **Defence Policy Framework** and makes specific mention of the “future”. It includes a focus on abilities to generate security and protection actions and recognises that New Zealand has national interests that materially affect the security of the nation. As should be expected, it is also compatible with the main outcomes of MFAT and the MoD.

The **Intermediate Outcomes** are also compatible with the **Defence Policy Framework** and subsequent Government statements on defence policy. They are focused on subordinate results that, if achieved, influence materially and directly the achievement of the **Main Outcome**.

**Impacts through the delivery of current Outputs**

Most of the NZDF’s day-to-day activities, and for which it is funded, involve the preparation of force elements of the Navy, Army and Air Force to contribute to operations as approved by the Government [i.e. training to the Directed Level of Capability (DLOC)]\(^3\), the provision of a range of services to multi-agencies within New Zealand, and strategic shaping services through military diplomacy. This makes the NZDF unique from most other government departments in that those departments, in their day-to-day activities, are actually delivering their ‘end product’ (their services), whereas the NZDF’s ultimate ‘end product’ is the effective contribution of NZDF force elements to operational missions - through the NZDF Output Expense *Operationally Deployed Forces*. The primary focus of what the NZDF does, therefore, is geared to this ultimate ‘end product’ or goal.

At first glance only a small percentage of the total NZDF personnel strength is actually involved in delivering this at any one time. For example, as at 1 April 2009 only about 5% of the total NZDF Regular Force strength was deployed on Output Expense *Operationally Deployed Forces* operations (10% per year based on deployments of six months). But this is not the whole picture - added to this are the following:

- Those personnel who have just returned from an operational mission (twice per year based on deployments of six months) – 10%;
- Those personnel who are undergoing specific training for the next deployment (twice per year based on deployments of six months) – 10%;
- Those personnel in New Zealand who have, as part of their job, a responsibility for directly supporting personnel on deployed operations (especially logistic and human resource personnel) - 10%; and
- Those personnel involved, on a day-to-day basis within the New Zealand environment, in conducting Multi-Agency Operations and Tasks (MAO&T) - such as patrolling and surveillance of our EEZ, support to NZ Customs Service and the NZ Police, etc - 10%.

The above therefore helps to illustrate that, over the course of a year, about 50% of the total NZDF Regular Force personnel strength (about 4,500 out of 9,000) are related, in some way, to deployed operations overseas and MAOT in the New Zealand environment. This also illustrates the high activity tempo being experienced by the NZDF.

The impacts that the NZDF is aiming to achieve through the delivery of current NZDF Outputs are shown in the following table:

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\(^3\) See Section 6 for an explanation of the Levels of Capability.
## Intended Impacts

<table>
<thead>
<tr>
<th>Intended Impacts for which the NZDF is appropriated</th>
<th>Appropriations for Output Expenses</th>
</tr>
</thead>
</table>
| **1. On-going and improved advice to Government in the areas of:**  
  - Military Intelligence  
  - Military Policy  
  - Operational Military Policy Advice  
  - Ministerial Correspondence and Parliamentary Questions | Military Policy Development, Coordination and Advice |
| **2. Generation of defined levels of capability preparedness of the Force Elements of the Navy, Army and Air Force for operations.** | Fixed Wing Transport Forces  
  Land Combat Forces  
  Land Combat Support Forces  
  Maritime Patrol Forces  
  Military Hydrography and Hydrographic Data Collection and Processing for LINZ  
  Mine Countermeasures (MCM) and MCM Diving Forces  
  Naval Combat Forces  
  Naval Helicopter Forces  
  Naval Patrol Forces  
  Naval Support Forces  
  Rotary Wing Transport Forces  
  Special Operations Forces |
| **3. Provision of appropriate capability and support to Multi-Agency Operations and Tasks (MAO&T).** | Multi-Class Output Appropriation:  
  Miscellaneous Support Activities |
| **4. Continued high quality support to NZDF miscellaneous activities, namely:**  
  - Support to Mutual Assistance Programme (MAP)  
  - Support to NZ Cadet Forces  
  - Support to Limited Service Volunteer Scheme  
  - Support to Service Military Service Museums | Operationally Deployed Forces |
| **5. NZDF contributions to Government-approved operational missions and deployments is of a high standard in terms of personnel and equipment; personnel and equipment that is Ready, Combat Capable, Deployable and Sustainable** | |

## Linking NZDF Outputs to Outcomes

Each of the NZDF Outputs is linked to the Intermediate Outcomes through the main intervention logic links of Employment Contexts (ECs) - ECs are discussed earlier at Section 2 above. ECs are the major “drivers” as to the likely military tasks that elements of the NZDF will be required to perform and these, in turn, “drive” the military training requirements of the Force Elements of the NZDF. In the longer-term, ECs also contribute to formulating future military capability requirements. ECs are therefore the central and vital link between outcomes and outputs.
The following diagram shows how the NZDF Outputs are linked to the Defence Outcomes.

This is followed by a series of diagrams that provide a summary of the intervention logic links, from strategic planning, for each of the Defence Intermediate Outcomes.
NEW ZEALAND DEFENCE FORCE STATEMENT OF INTENT

Overview of New Zealand Defence Force Outputs to Outcomes Linkages

**OUTPUTS**
- Multi-Agency Operations & Tasks
  - ELOC Generation
    - Formal, pre-defined support to other government departments/agencies under a "whole-of-government" approach:
      - New Zealand Police
      - Resource Coordination Centre NZ
      - Civil Defence
      - Department of Conservation
      - New Zealand Corrections Service
      - Environmental & Risk Management Authority
      - New Zealand Fire Service
      - Ministry of Fisheries
      - Ministry of Foreign Affairs & Trade
      - Department of Internal Affairs
      - Maritime New Zealand
      - New Zealand Customs Service
      - Department of Prime Minister & Cabinet
      - NZ Antarctic Programme
      - Others

**Employment Contexts**
- Employment Context 1
  - EC0
  - Protected Persons And Infrastructure From Civil Instability And Disasters
  - Secure New Zealand, including its People, Land, Territorial Waters, Exclusive Economic Zone, Natural Resources and Critical Resources
  - New Zealand Secure and Protected from External Threats now and in the Future

**Outcomes**
- Employment Context 2
  - EC20
  - A Secure, Peaceful And Stable South Pacific

**Output Expenses**
- Military Policy Development
  - Coordinating & Advice:
    - Intelligence Gathering
    - Military Policy Advice
    - Operational Military Policy Advice
    - Ministerial & Parliamentary Questions
    - Military Diplomacy

- Output Expense 2 to 14
  - ELOC Generation
    - Across the spectrum of operations
    - Aid-to-Civil Authorities
    - Humanitarian Assistance
    - Defence Diplomacy
    - Conflict Prevention
    - Peace Support
    - Warfare
    - Counter Terrorism

- Output Expense 16
  - Operationally Deployed Forces
    - Across the spectrum of operations
    - Aid-to-Civil Authorities
    - Humanitarian Assistance
    - Defence Diplomacy
    - Conflict Prevention
    - Peace Support
    - Warfare
    - Counter Terrorism

- Output Expense 15
  - Multi-Agency Assistance Programme (MAP)
  - New Zealand Cadet Forces (NZCF) Service Museums
  - Limited Service Volunteer Scheme

**Sub Outcomes**
- Employment Context 4
  - EC40
  - A Secure, Peaceful And Stable Asia Pacific Region

- Employment Context 5
  - EC50
  - A More Secure And Stable World

**Intermediate Outcomes**
- Employment Context 6
  - EC60
  - Collaborative Development and Shaping the International Security Order

**Main Outcome**
- Employment Context 7
  - EC70
  - Effective Participation in the International Security Order

**Note:** The Employment Contexts (ECs) shown in this diagram are those that have been fully developed/tested - they are the ECs against which all force elements of the NZDF are assessed.
Note: See Section 2 for an explanation of Employment Contexts (ECs)
INTERMEDIATE OUTCOME 2: REDUCED RISKS FROM REGIONAL AND GLOBAL INSECURITY

- Secure, Peaceful & Stable South Pacific
  - Constitutional Responsibilities to Cooks Islands, Nune & Tokelau
    - ECs 2A, 2B, 2C, 2D, 2E
  - NZ & Other Nationals Extracted in Civil Emergency
    - ECs 2A, 2B, 2C, 2D, 2E
  - Maintain Order
    - ECs 2A, 2C, 2D, 2E
  - Restore Order
    - ECs 2A, 2C, 2D, 2E
  - Conduct Surveillance of EEZs
    - ECs 2A, 2C, 2D, 2E
  - Search and Rescue
    - EC 2B

- Secure Peaceful & Stable Australia
  - Effectively Assist with Deterrence of Threats to Australia
- A Secure & Stable Asia-Pacific Region
  - Effectively Assist with Mitigation of Threats to Australia
- A More Secure & Stable World
  - Assist with Deterrence
  - Assist with Mitigation
  - Mitigate Conflict & Tension

Note: See Section 2 for an explanation of Employment Contexts (ECs)
INTERMEDIATE OUTCOME 3: NZ SECURITY VALUES AND SECURITY INTERESTS ADVANCED

Collaboratively Develop & Shape the International Security Order

Effective Contribution to International Security Dialogue

Abide by International Agreements

Confidence & Transparency Built

Effective Membership of Organisations & Cooperative Groupings

Effective Direct Defence Diplomacy & Relationships

Note: Intermediate Outcome 3 is applicable across all Employment Contexts and contributes to all Output Expenses.
INTERMEDIATE OUTCOME 4: NZ IS ABLE TO MEET FUTURE NATIONAL SECURITY CHALLENGES

Note: Intermediate Outcome 4 is applicable across all Employment Contexts and contributes to all Output Expenses.
Section 4: Operating Intentions

This section indicates how the NZDF intends to achieve its Outcomes over the medium term. It involves contributions to Defence Outcomes by the delivery of annually produced outputs and the progress towards achievement of Strategic Initiatives to satisfy the NZDF Strategic Objectives. It also covers how the NZDF intends to measure its performance, sustainable business practice and inter-department/agency collaboration.

Achieving Defence Intermediate Outcomes

The Intermediate Outcomes and sub-outcomes provide the vital links between the Government’s Defence Policy Objectives, the Main Defence Outcome and NZDF Outputs.

For each of the Intermediate Outcomes listed below (and sub-outcomes, where applicable) two main aspects are covered in sufficient detail to clearly indicate how the NZDF intends to work towards achieving the Main Outcome:

• The desired state of affairs from a national perspective for the wider security of New Zealand and its people (the National Perspective).

• The narrower NZDF contribution showing how the everyday employment of the NZDF outputs across a spectrum of activities, over time and together with outputs from other related government departments and agencies, achieve the Main Outcome (the NZDF Contribution).

Intermediate Outcome 1 - Secure New Zealand, including its people, land, territorial waters, exclusive economic zone, natural resources and critical infrastructure. This intermediate outcome is divided into the sub-outcomes of:

• Protected from Terrorism

• Protected from Transnational Illegal Activities

• Protected persons and infrastructure from Civil Instability and Disasters.

National Perspective. National sovereignty requires that New Zealand assume the prime responsibility for direct national tasks such as the protection of our territory and citizens, the capability to monitor and protect resources in areas that are under New Zealand jurisdiction, the countering of any threat posed by terrorism or acts of sabotage, the welfare of our people and our economic livelihood.

NZDF Contribution. The NZDF contributes to this outcome through the delivery of annual outputs that provide prime or major contributions to sovereignty protection, deterrence, incident or crisis response, including counter-terrorism, civil defence and other emergencies. The NZDF will seek to deter unwanted intrusions by demonstrating its ability to operate throughout New Zealand, its offshore islands, its EEZ and the Southern Ocean and Ross Dependency, and being able to respond to tests to our sovereignty. The vessels being delivered under Project Protector (the MRV, OPVs and IPVs) will greatly enhance the NZDF’s ability, in concert with others, to operate in these areas. The NZDF will monitor activities in the region to provide warning of any adverse developments, and maintain levels of preparedness in order to respond to contingencies. Within the capabilities maintained the NZDF will provide assistance to the civil power and in the event of natural disasters provide assistance to restore vital services and essential amenities. The NZDF contributes to this outcome by the deterrent effect of a credible Defence Force and the demonstrated ability to take action where appropriate. This includes the maintenance of capabilities sufficient to demonstrate to others a commitment to national defence.
and to secure the support of others. As a by-product of the outputs the NZDF accomplishes public support tasks for other government departments and agencies and the community; provides opportunities for training and rewarding careers, and provides a source of skilled personnel who join the national work force as values-based citizens at the end of their engagement.

**Intermediate Outcome 2 - Reduced risks to New Zealand from regional and global insecurity.**

This intermediate outcome is divided into the sub-outcomes of:

- A Secure, Peaceful and Stable Australia
- A Secure, Peaceful and Stable South Pacific
- A Secure and Stable Asia-Pacific Region
- A more Secure and Stable World

**A Secure, Peaceful and Stable Australia**

**National Perspective.** Australia is New Zealand’s closest and most important security partner. Our alliance commitments to Australia are met by maintaining a close defence partnership in pursuit of common security interests. The two countries are better able to influence events in the region of joint interest if they operate together rather than separately.

**NZDF Contribution.** The NZDF contributes significantly to this outcome through the delivery of annual outputs that support regional security arrangements, and provides a capacity to act if Australia is threatened. Cooperation between the defence forces of the two countries is aided by capabilities that are interoperable, and reflects New Zealand’s alliance commitments to Australia. The capacity of the two countries to act together is enhanced by combined exercises, personnel exchanges and cooperation under the Closer Defence Relations (CDR) agreement. CDR includes coordination of regional assistance, cooperation in operational planning, combined military missions, reciprocal force augmentation and collaborative logistic support. The end state is a strong strategic relationship with Australia in support of common interests for a secure and peaceful region.

**A Secure, Peaceful and Stable South Pacific**

**National Perspective.** New Zealand’s major interest in the South Pacific centres on the South Pacific states with which it has significant cultural, ethnic or historical ties, and in some cases constitutional obligations (the Cook Islands, Niue and Tokelau). Our interests are affected by the continuing ability of Pacific governments to provide a stable environment for economic growth and social development. The successes of these governments will shape the region’s stability and migration patterns, and limit calls on New Zealand for economic or military assistance, including, where required, assistance in peace processes through diplomacy, mediation and peacekeeping. Consequently we have a substantial interest in the South Pacific’s stability and prosperity and its good governance. We help by providing aid through MAP and ODA, disaster relief, obligations for search and rescue and emergency medical evacuation, and assistance with the protection of its natural resources, including surveillance of their EEZs.

**NZDF Contribution.** The NZDF contributes to this outcome through the delivery of annual outputs that provide contributions to regional engagement, security assistance, developmental assistance, resource protection, and disaster relief. The NZDF will effect regional engagement by participation in security co-operative and confidence-building measures such as visits to, and exercises and activities with, and within, South Pacific countries. The provision of training and development assistance throughout the region, under the auspices of the Mutual Assistance Programme (MAP), also
contributes to this outcome. Further contributions to this outcome are derived from assisting in the surveillance of EEZs of South Pacific states, civil aid activities and assistance with relief in the event of any natural or humanitarian disasters in the region. The NZDF also contributes to this outcome by maintaining capabilities sufficient to respond to requests for assistance from South Pacific states in the event a serious breakdown of law and order, and to provide protection for, and if necessary assist in the evacuation of, New Zealand nationals in civil emergencies in the region. New Zealand’s contribution to resolving the recent problems in the Solomon Islands is a good example of our commitment to this intermediate outcome.

A Secure and Stable Asia-Pacific Region

National Perspective. The costs of any future trouble in the Asia Pacific region could be high. The new interdependence of interests means these costs will be carried not only by those countries directly involved in dispute but also by their neighbours. As a beneficiary of a stable and secure environment, New Zealand must also bear some of the responsibility and costs of keeping it that way. The Government will continue to support the FPDA, build upon existing co-operative bilateral defence relations with Singapore, Malaysia, Thailand and the Philippines, and develop a broader-based defence dialogue with other nations in East Asia. New Zealand’s security policy in East Asia will include active participation in important regional fora, such as APEC and the ASEAN Regional Forum, a constructive approach to regional human rights initiatives, and, where necessary and feasible, mediation and peace support. As evidenced by New Zealand’s support and assistance during the relief operations following the devastation caused by the 2004 Boxing Day earthquake-induced tsunami, New Zealand is prepared to offer military and other aid to the region in such circumstances. A November 2007 Government paper (Our Future with Asia) by MFAT, emphasises that it is critical that New Zealand remains attuned to, and plays an active role in the trends and developments in this vibrant region.

NZDF Contribution. The NZDF contributes to this outcome through the delivery of annual outputs that provide contributions to peacetime engagement. This includes military-to-military contacts, military-to-diplomatic contacts, security assistance, confidence-building measures, support of regional security arrangements and conflict deterrence. The NZDF will effect regional engagement by multilateral exercises under the aegis of the FPDA, by bilateral exercises with regional countries, and by participation in regional fora. Contributions to the outcome include Defence Liaison and Attaché Staffs at key New Zealand Embassies and High Commissions, support of UN missions and demining programmes, visits by senior defence staff and port visits. The provision of training assistance under the auspices of the MAP also contributes to this outcome. The NZDF also contributes to this outcome by the deterrent effect of capabilities that are interoperable with other relevant armed forces and available as a contribution to the regional efforts aimed at deterring aggression. The NZDF will play its part in defence and security dialogue in the region (as covered in Our Future with Asia - under the banner of “Raising the tempo of our relationship with Asia”) through Defence Attachés and Advisers in support of the Heads of New Zealand Missions in a selected range of Asian nations.

A More Secure and Stable World

National Perspective. New Zealand expects to benefit from the globalisation of trade, information, communications and technology. These benefits can be best secured when there is an environment of peace, stability and shared prosperity. Constructive involvement will not only ensure that New Zealand is a welcome participant in the benefits but will also contribute to New Zealand’s image and standing in the world community. This will allow New Zealand to have a voice in processes that shape international economic, diplomatic and security developments. The Government will continue to base its global engagement on active support for, and participation in, UN and appropriate multi-national peace support operations. New Zealand will continue to make as full a contribution to peace support
operations as is reasonably possible. New Zealand will not engage in military cooperation or exercises with the armed forces of states which sanction the use of armed forces to suppress human rights. This does not preclude New Zealand involvement in UN peace support or other appropriate multinational peace support operations where the armed forces of such countries are also involved.

NZDF Contribution. The NZDF contributes to this outcome through the delivery of annual outputs that provide contributions to collective security operations, peacekeeping, and peace-enforcement conducted by the United Nations and other relevant multinational agencies. The NZDF will provide the Government with options for contributing to collective security operations by maintaining forces at specified levels of preparedness. Interoperability (the ability to interchange units and to operate effectively with forces from other states) will be maintained through participation in international military standardisation and safety fora, multinational exercises, and the exchange of personnel with the armed forces of Australia, Canada and the United Kingdom. Qualified NZDF personnel are deployed overseas for initiatives such as de-mining, arms control support, and inspections that contribute to international order. As a by-product of these outputs the NZDF is able to deliver assistance for international humanitarian relief.

Intermediate Outcome 3 - New Zealand values and interests advanced through participation in regional and international security systems. This intermediate outcome is divided into the sub-outcomes of:

• Collaboratively Develop and Shape the International Security Order
• Effective Participation in the International Security Order.

National Perspective. New Zealand has always been outward looking and taken an active interest in developments in other parts of the world. New Zealand is prepared to speak out on international security issues and, when applicable, offer constructive suggestions as to resolution and provide personnel and resources to aid in effecting relevant change.

NZDF Contribution. In concert with other relevant government agencies, the NZDF supports this outcome through a range of activities, including participation in confidence-building, defence diplomacy and coalition-building. Also in concert with other relevant government agencies, the NZDF contributes to this outcome through participation in or support of a range of security treaties, military-related fora and programmes and standardisation organisations. New Zealand is a member of the Canberra Pact and FPDA and actively participates in the ASEAN Regional Forum, APEC and the Pacific Islands Forum. The NZDF has either formal membership of or at least observer status on: the Australia, British, Canadian, and American Armies’ (ABCA) Programme (New Zealand recently becoming a full member of this organisation); the Air and Space Interoperability Council (ASIC), The Technical Cooperation Programme (TTCP); NATO Standardisation Agency (NSA); the Australian, Canadian, New Zealand, United Kingdom and United States Navies (AUSCANNZUKUS); the Multinational Interoperability Council (MIC); the Combined Communications-Electronics Board (CCEB); Pacific Area Senior Officer Logistic Seminar (PASOLS), and so on.

Intermediate Outcome 4 - New Zealand is able to meet future national security challenges.

National Perspective. This intermediate outcome was selected on the basis that it is vital for the NZDF to plan for the future, especially for sustainable future capability requirements. This outcome is directly related to the Defence Policy Framework and the Government’s Statement of 8 May 2001 – A Modern, Sustainable Defence Force matched to New Zealand’s needs. While comment could be made that planning for the future should be routine, the development of this Intermediate Outcome helps to emphasise the importance of “futures planning/future capability requirements”.
**NZDF Contribution.** It is essential that the nature of defence capability planning be seen and understood in the long-term. Given the very high cost of major equipments that contribute to military capability and the life expectancy of such equipment (frigates, aircraft and armoured vehicles out to 20(+) years, even before life extensions are considered) planning must have a long-term horizon. It is equally essential that the human resource base of the NZDF, the most significant element of military capability, be seen in the long-term. Given the higher range of technologies, the sophistication of modern platforms, the time required to become proficient in their use, and doing more with fewer personnel, demands high calibre Service personnel who are prepared to make the Services a fulltime career. The tools to support this longer-term capability planning are included in the Defence Capability Management Framework (CMF). The NZDF and the MoD use a variety of strategic planning tools to assess future capability requirements. An examination of defence policy and current capabilities identifies capability gaps. Additionally, many capabilities/equipments have known obsolescence dates. Planning tools include enduring strategic guidance, evidence-based decision support tools, strategic assessments, capability goals matrices and research/lessons learned. These are all defined in detail in the CMF. An annual capability prioritisation conference, co-chaired by the Secretary of Defence and Chief of Defence Force, will result in a recommended future capability assessment for the Government to note, and a current capability plan, the LTDP, for the Government to approve. The whole process is one of internal evaluation - measuring options, managing risk, assessing policy and making judgements. Where necessary, external evaluation will be conducted by, or at least involve, agencies such as the MoD Evaluations Division, Office of the Auditor General, and Treasury.

**Summary NZDF Output Expenses/Outputs**

The NZDF Output specifications are detailed in the Supporting Information to the Estimates of Appropriations for Vote Defence Force (under Part 2.1 - Departmental Output Expenses). A summary of the NZDF Output Expenses/Outputs, including one Multi-Class Appropriation (MCOA), are shown in the following table:

<table>
<thead>
<tr>
<th>Output Expense</th>
<th>Title and Description</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td><strong>Military Policy Development, Coordination and Advice</strong>&lt;br&gt;Under this output expense the Minister of Defence purchases military advice on NZDF contributions to New Zealand’s foreign policy and military responses to contingencies. Also included is the provision of military intelligence, responses on behalf of the Minister to ministerial correspondence, select committee and parliamentary questions, Official Information Act inquiries and Ombudsmen correspondence.</td>
<td>1.1 Collection/Collation/ Dissemination of Military Intelligence&lt;br&gt;1.2 Development and Production of Military Policy&lt;br&gt;1.3 Operational Military Policy Advice&lt;br&gt;1.4 Ministerial Correspondence and Parliamentary Questions</td>
</tr>
<tr>
<td>2</td>
<td><strong>Naval Combat Forces</strong>&lt;br&gt;Under this output expense the Minister of Defence purchases the capabilities of the Naval Combat Forces (two ANZAC Class Frigates - HMNZ Ships Te Mana and Te Kaha) prepared to conduct maritime operations. This output expense also includes contributions by the Naval Combat Forces to a range of services to the Government and the community.</td>
<td>2 Naval Combat Forces</td>
</tr>
<tr>
<td>3</td>
<td><strong>Naval Support Forces</strong>&lt;br&gt;Under this output expense the Minister of Defence purchases the capabilities of the Naval Support Forces (the Fleet Replenishment Ship HMNZS Endeavour and the Multi-Role Vessel HMNZS Canterbury) prepared to conduct maritime logistic support and amphibious sealift operations for deployed military forces. This output expense also includes contributions by Naval Support Forces to a range of services to the Government and the community.</td>
<td>3.1 Replenishment Forces&lt;br&gt;3.2 Amphibious Sealift Forces</td>
</tr>
<tr>
<td>Output Expense</td>
<td>Title and Description</td>
<td>Outputs</td>
</tr>
<tr>
<td>----------------</td>
<td>----------------------</td>
<td>---------</td>
</tr>
</tbody>
</table>
| 4              | Mine Countermeasures (MCM) and MCM Diving Forces | 4.1 MCM Forces  
|                | Under this output expense the Minister of Defence purchases the capabilities of the MCM and MCM Diving Forces. The MCM Force (HMNZS Manawanui with HMNZS Kahu as backup) is prepared to conduct Q route surveys and conditioning of selected New Zealand ports. The MCM Diving Force (the Operational Diving Team), is prepared to support MCM Forces operations and to conduct independent diving tasks. This output expense includes the provision of some support services to the community, when appropriate. | 4.2 MCM Diving Forces |
| 5              | Naval Patrol Forces | 5.1 Offshore Patrol Forces  
|                | Under this output expense the Minister of Defence purchases the capabilities of the Offshore and Inshore Patrol Vessels (OPVs and IPVs) prepared for the conduct of maritime operations in support of Multi-Agency Operations and Tasks (MAO&T), and for the security and protection of New Zealand’s economic border and EEZ. The OPVs will also be prepared to conduct sovereignty and resource protection patrol operations in the Southern Ocean, Ross Dependency, South Pacific region and further afield when directed. | 5.2 Inshore Patrol Forces |
| 6              | Military Hydrography, and Hydrographic Data Collection and Processing for LINZ | 6.1 Military Hydrography  
|                | Under this output expense the Minister of Defence purchases the capabilities of the hydrographic and oceanographic survey vessel (HMNZS Resolution), specialist personnel and support infrastructure to conduct military hydrography, and hydrographic data collection and processing which meets contractual commitments to LINZ. This output expense is supported by the Hydrographic Business Unit as part of the Joint Geospatial Support Facility. | 6.2 Hydrographic Data Collection and Processing for LINZ |
| 7              | Land Combat Forces | 7.1 Command, Control and Intelligence  
|                | Under this output expense the Minister of Defence purchases the capabilities of the Land Combat Forces, consisting of command, control and intelligence elements and manoeuvre force elements (infantry and reconnaissance) prepared to conduct land operations. This output expense also includes contributions to a range of services to the Government and the community. | 7.2 Manoeuvre Elements [Infantry (motorised, non-motorised or composite)] and Reconnaissance |
| 8              | Land Combat Support Forces | 8.1 Artillery  
|                | Under this output expense the Minister of Defence purchases the capabilities of the Land Combat Support Forces, consisting of artillery, engineer, communications and military police force elements, prepared to conduct land operations. This output expense also includes contributions to a range of services to the Government and the community. | 8.2 Engineers  
|                | | 8.3 Communications  
|                | | 8.4 Military Police |
| 9              | Land Combat Service Support Forces | 9.1 Transport  
|                | Under this output expense the Minister of Defence purchases the capabilities of the Land Combat Service Support Forces, consisting of transport, medical, supply, repair and movements force elements, prepared to support land operations. This output expense also includes contributions to a range of services to the Government and the community. | 9.2 Medical  
|                | | 9.3 Supply  
|                | | 9.4 Repair  
|                | | 9.5 Movements |
| 10             | Special Operations Forces | 10.1 Special Forces  
|                | Under this output expense the Minister of Defence purchases the capabilities of the Special Operations Forces prepared to conduct special operations in support of land operations and counter-terrorist operations. Also purchased are the capabilities of the NZDF CBRE IEDD/EOD organisation prepared to dispose of chemical, biological, radiological, explosive, improvised explosive devices that threaten public safety or national interests. These forces will not usually be available for other community support tasks. | 10.2 Counter-Terrorist Forces  
<p>|                | | 10.3 Chemical, Biological, Radiological, Explosive, Improvised Explosive Device Disposal (CBRE IEDD) |</p>
<table>
<thead>
<tr>
<th>Output Expense</th>
<th>Title and Description</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Naval Helicopter Forces</td>
<td>11 Naval Helicopter Forces</td>
</tr>
<tr>
<td></td>
<td>Under this output expense the Minister of Defence purchases the capabilities of the Naval Helicopter Forces (Seasprite SH-2G helicopters) prepared to conduct maritime operations in support of the Naval Combat Forces, Naval Support Forces and Naval Patrol Forces, and to conduct limited independent operations. This output expense may also include the provision of naval helicopter forces for a range of support to the Government and the community, when required.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Maritime Patrol Forces</td>
<td>12 Maritime Patrol Forces</td>
</tr>
<tr>
<td></td>
<td>Under this output expense the Minister of Defence purchases the capabilities of the Maritime Patrol Forces (P-3K Orion aircraft) prepared to conduct maritime surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, search and rescue missions, and maritime air operations. This output expense also includes the provision of Orion aircraft for a range of support services to the Government and the community.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Fixed Wing Transport Forces</td>
<td>13.1 B-757 Transport Force 13.2 C-130 Transport Force</td>
</tr>
<tr>
<td></td>
<td>Under this output expense the Minister of Defence purchases the capabilities of the Fixed Wing Transport Forces (B757-200 and C-130 Hercules aircraft) prepared to conduct strategic and tactical air transport operations, including aeromedical evacuation (AE). This output expense also includes the provision of air transport aircraft for a range of support services to the Government and the community.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Rotary Wing Transport Forces</td>
<td>14 Rotary Wing Transport Forces</td>
</tr>
<tr>
<td></td>
<td>Under this output expense the Minister of Defence purchases the capabilities of the Rotary Wing Transport Forces (Iroquois helicopters) prepared to conduct tactical air transport operations, including AE, and counter-terrorist operations. This output expense also includes the provision of helicopters for a range of support services to the Government and the community, land search and rescue in particular.</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Multi-Class Output Appropriation (MCOA): Miscellaneous Support Activities</td>
<td>15.1 Support to Mutual Assistance Programme 15.2 Support to New Zealand Cadet Forces 15.3 Support to Limited Service Volunteer Scheme 15.4 Support to Service Military Museums</td>
</tr>
<tr>
<td></td>
<td>The individual Output Classes that make up this MCOA are as follows:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.1 Support to Mutual Assistance Programme (MAP): This output class is limited to the provision of training, technical advice and resources to the defence forces and law enforcement agencies of participant countries under the Mutual Assistance Programme (MAP), both in New Zealand and in MAP countries.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.2 Support to New Zealand Cadet Forces: This output class is limited to the provision of leadership and skills training for all approved New Zealand Cadet Force (NZCF) units.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.3 Support to Limited Service Volunteer Scheme: This output class is limited to the conduct of Limited Service Volunteer courses for unemployed or disadvantaged youth, selected by the Ministry of Social Development, to encourage these youth towards employment.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>15.4 Support to Service Military Museums: This output class is limited to collection development, collection management and exhibits related to New Zealand’s military history.</td>
<td></td>
</tr>
</tbody>
</table>
NEW ZEALAND DEFENCE FORCE STATEMENT OF INTENT

**Output Expense**

**Title and Description**

**Outputs**

16  
*Operationally Deployed Forces*

Under this output expense the Minister of Defence purchases the capabilities of deployed NZDF force elements on operations, including the commitments agreed by the Government under which the NZDF contributes to peace support and other operations conducted in support of the United Nations and other relevant multinational agencies. This includes the provision of individuals, observers, advisors, instructors, headquarters staff, and complete force elements and contingents, when necessary, to operational missions. Also included is the conduct of any additional training required to bring force elements to the operational level of capability (OLOC) and to meet any special conditions associated with threat levels anticipated when deployed.

The following table draws together the linkages between Intermediate Outcomes, Sub-Outcomes, Employment Contexts (ECs) and Output Expenses:

**Table: Summary of Linkages between Outcomes, ECs and Output Expenses**

<table>
<thead>
<tr>
<th>Intermediate Outcome</th>
<th>Sub-Outcome</th>
<th>Related Employment Contexts (ECs)</th>
<th>Related Output Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Secure New Zealand</td>
<td>Protected from Terrorism</td>
<td>EC 1D</td>
<td>1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td></td>
<td>Protected from Transnational Illegal Activities</td>
<td>ECs 1A, 2A, and 1E</td>
<td>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td></td>
<td>Protected persons and infrastructure from Civil Instability and Disasters</td>
<td>ECs 1C, 1B, 2B and 2E</td>
<td>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td>2. Reduced Risks to New Zealand from regional and global insecurity</td>
<td>A Secure, Peaceful and Stable South Pacific</td>
<td>ECs 2A, 2B, 2C, 2D, and 2E</td>
<td>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td></td>
<td>A Secure, Peaceful and Stable Australia</td>
<td>ECs 3A, 3B, 3C, and 3D</td>
<td>1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td></td>
<td>A Secure and Stable Asia-Pacific Region</td>
<td>ECs 4A, 4B, 4C, 4D, 4E, 4F, and 4G</td>
<td>1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td></td>
<td>A more Secure and Stable World</td>
<td>ECs 5A, 5B, 5C, 5D, 5E, 5F, and 5G</td>
<td>1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16</td>
</tr>
<tr>
<td>3. New Zealand Values and Interests advanced through participation in regional and international security systems</td>
<td>Collaboratively Develop and Shape the International security Order</td>
<td>This intermediate outcome is much wider than all ECs and Outputs. For example, it extends to:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>– All International and regional security fora.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Security Treaties/Pacts/Arrangements - FPDA.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>– ABCA, ASIC, AUSCANNZUKUS, CCEB, NSA, PASOLS, TTCP, etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Some Relationship to the Multi-Class Output Appropriation (MCOA) – [Output Expense 15].</td>
<td></td>
</tr>
<tr>
<td>4. New Zealand is able to meet future national security challenges</td>
<td>Developmental. Future ECs developed as a result of security trends and concerns (15 – 20 years out)</td>
<td>Some relationship to MCOA) [Output Expense 15].</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>New capabilities may be required; resulting in requirement for restructured or new outputs.</td>
<td></td>
</tr>
</tbody>
</table>
Minister of Defence Priorities and NZDF Strategic Initiatives

The NZDF Strategic Plan, including mention of Strategic Initiatives, was introduced under Section 3 of this Statement of Intent.

The Minister of Defence has confirmed that the Government’s key priorities for Defence for 2009/10 are as follows:

- **Defence Review 09.** Contribution to Defence Review 09. The focus is on “how well the NZDF meets the tasks that are expected of it by the Government”. The objective is that the NZDF be capable of doing more with current funding. New priorities stemming from the results of the review will be struck for 2010/11 and beyond.

- **Current Operations.** Ensure that, in concert with the priority on Capability Management (below), current operations, both international and domestic, are effective and sustainable.

- **Capability Management.** Ensure effective management of major capability acquisition, Project Protector (new vessels for the Navy) in particular. Other major contracts underway include the upgrading of the RNZAF’s aircraft and purchase of new helicopters.

- **Value for Money.** Other than essential additional funding the NZDF is required to manage within its current funding envelope. Ensure that value for money is evident in and pervades Vote Defence Force for 2009/10 and beyond.

These priorities, together with the NZDF’s internal priorities, drive the content of the NZDF Strategic Initiatives. The NZDF will focus on achieving the following Strategic Initiatives (updated annually) over the period 2009/10 - 2011/2012. The Strategic Initiatives are set against the Strategic Objectives as covered in Section 3 of this Statement of Intent. The table also shows the main measures against each objective.
### NZDF Strategic Initiatives

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Objectives</th>
<th>Measures</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>S1 - Current: sustain current operational commitments.</td>
<td>• Sustainment measures for current operational commitments (Navy, Army and Air Force)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S2 - Future: be ready to meet the Government’s next request</td>
<td>• Sustainment of Multi-Agency Operations and Tasks (MAO&amp;T)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S3 - Resource Management: make best use of allocated finances and resources</td>
<td>• Preparedness projections: Navy, Army and Air Force</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S4 - Reputation: enhance our reputation as an effective Defence Force and valued interagency and coalition partner</td>
<td>• Changes in delivery vs Changes in Resources Allocated</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Efficiency Savings realised</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Key Messages delivered through Print Media</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Key Messages delivered through broadcast Media</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enabling Processes</th>
<th>Objectives</th>
<th>Measures</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1 - Business Processes: deliver effective and efficient business processes</td>
<td>• Savings realised from the Defence Transformation Programme (DTP)</td>
<td></td>
<td>DPMS (Defence Performance Management System)</td>
</tr>
<tr>
<td></td>
<td>• Project Delivery performance by portfolio</td>
<td></td>
<td>Headquarters Change Programme under the DTP)</td>
</tr>
<tr>
<td></td>
<td>• Joint Logistic Support Organisation (JLSO) Contract savings</td>
<td></td>
<td>Portfolio-Programme-Project Management Framework</td>
</tr>
<tr>
<td></td>
<td>• JLSO Transaction Processing Days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4 The numbers (such as S1, S2, P1, etc) against each objective correspond to those used within the NZDF Strategy Map shown at Section 3.
<table>
<thead>
<tr>
<th>Objectives</th>
<th>Measures</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| **P2 - Logistics**: deliver agile and effective logistic support | • Supply Chain measures (Navy, Army and Air Force, and Operations)  
• Repair process Measures (Navy, Army and Air Force)  
• Efficiency Measures | • Logistics Change Programme (under the Defence Transformation Programme (DTP))  
• Strategic Asset Management Plans |
| **P3 - Capability Development**: deliver flexible and relevant future capabilities | • Flexibility and Utility of Capabilities  
• Minors Gap between Approval in Principle and Spend / Forecast  
• Introducing New Capabilities (Navy, Army and Air Force) |  |
| **P4 - Military Policy**: develop and sustain an effective military policy | • Level of preparedness for contribution to Defence policy papers / reviews  
• Effectiveness of the NZDF Strategic Planning Process | • Defence Strategic Guidance for the Defence Planning Framework |
| **P5 - Whole of Government**: increase our contribution to Whole of Government security sector outcomes | • (Under development) | • (Under development)  
• Human Resource Change Programme (under the DTP) |
| **P6 - Training**: optimise our training systems | • (Under Development) |  |
| **R1 - Equipment**: equip our forces to meet current commitments and be ready for the next request | • Availability of Equipment (Navy, Army and Air Force) | • (Under development)  
• Defence Estate Strategic Plan |
| **R2 - Infrastructure**: optimise Defence Infrastructure to meet future needs | • Building Condition and Functionality indictors  
• Building Utilisation indicator  
• Recapitalisation Rate  
• Satisfaction with Facilities (military and civilian personnel) |  |
<table>
<thead>
<tr>
<th>Learning and Growth</th>
<th>Objectives</th>
<th>Measures</th>
<th>Initiatives</th>
</tr>
</thead>
</table>
| L1 - Culture: Be an organisation of choice | • Propensity to join  
• Recruitment Success  
• Overall Satisfaction  
• Early Rate of Notice  
• Attrition | • Housing and Accommodation Assistance Policy implementation | |
| L2 - Personnel: ensure we have the people we need | • Overall Numbers versus targets (Navy, Army and Air Force)  
• Rank/Trade Shortfalls and Risks (Navy, Army and Air Force) | | |
| L3 - Personnel Management: prepare and support the Joint Team | • Satisfaction with Performance Management and Career Development  
• Satisfaction with Conditions of service | • Housing and Accommodation Assistance Policy implementation  
• Human Resource Change Programme (under the DTP)  
• Workforce Planning Systems and Tools  
• Defence Recruiting Project  
• Professional Military Development Framework | |
| L4 - Information Management: grow information management capabilities to support the Knowledge Edge Force | • Under development | • Information Management and Exploitation - Phase 1  
• Joint Business Intelligence  
• Network Enabled Capability - Concept and Roadmap  
• Secure Wide Area Network (SWAN) expansion programme | |
| L5 - Technology: improve the ability of technology to support effective management of the NZDF | • System availability  
• IT project delivery | • Technology Defence Capital Acquisition Projects (such as: Defence Satellite Communications; Joint Command and Control System; Land Intelligence Surveillance and Reconnaissance; Joint Communications Modernisation; Army Tactical Trunk Communications) | |
Measurement of the NZDF’s Performance

The NZDF needs to measure its performance across three layers.

Firstly, it must measure the performance of its mission delivery across the following broad dimensions:

• Most importantly, we need to measure the preparedness of the force elements of the Navy, Army and Air Force to achieve the directed level of operational capability (DLOC) for use on operations - Operational Preparedness.

• We need to measure our ability to effectively and efficiently manage a large and complex business - Corporate/Organisational Effectiveness.

Secondly, it must measure its performance in achieving its agenda for change through realisation of its Strategic Objectives.

Thirdly, it must measure its performance in impacting on our Main and Intermediate Outcomes, cumulatively, over the longer-term.

These performance measurement requirements are inter-related and allow for the performance management of impacts, outcomes and objectives, cost-effectiveness of interventions and organisational health and capability of the NZDF.

The system used to measure the performance of the NZDF is multi-faceted. The overarching system that the NZDF uses is the Defence Performance Management System (DPMS). The DPMS integrates information from many other sub-systems/components of the Performance Management Framework, including:

• Operational Preparedness Reporting System (OPRES),

• Personnel Management Systems,

• Financial Management Systems,

• Project Portfolio Management Systems,

• Logistic Management Systems,

• Activity, Training and Lessons Learnt Management Systems,

• Risk Management Systems (both Operational and Business focus),

• Unstructured data inputs from Audit, Evaluation and Assessment Reports.

The key characteristics of the DPMS are:

• alignment of NZDF organisational performance and activities with the NZDF strategic and short-term plans;

• measurement of the performance of both strategic priorities and operational imperatives;

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5 See Section 6 for an explanation of the Levels of Capability.
• integration of the reporting requirements of performance management, programme management, risk management and capability management;

• sufficiently flexible to adapt to changing business requirements;

• provision of a basis to effectively manage the current and future level of organisational change; and

• performance measures are valid, reliable, timely and materially complete.

Performance in Achieving Strategic Objectives

The NZDF uses an enterprise Balanced Scorecard Card (BSC) and Strategy Map to communicate strategic intent and to measure performance in achieving its Strategic Objectives, through the implementation of Strategic Initiatives, across the four perspectives; Our Stakeholders, Enabling Processes, Resources, and Learning and Growth. The BSC approach is a comprehensive performance management system; not just a measurement system. Each Strategic Initiative is based on an assumption that it will improve performance in either the short or long-term; essentially to “close the performance gap”. Several measurement principles have been developed to ensure that the NZDF BSC measures will effectively track the success of our strategy.

Performance in Achieving Operational Preparedness

The NZDF Operational Preparedness and Reporting System (OPRES) continues to be the key measurement system for the preparedness of the force elements of the NZDF to undertake operations that the Government may call on it to perform. OPRES involves the measurement of all Force Elements of the Navy, Army and Air Force against the four Key Performance Areas (KMAs) of Preparedness (Readiness, Combat Viability, Deployability and Sustainability)\(^6\), and, within each of these, looks at the detailed Key Performance Indicators (KPIs) that relate to the KMA (Personnel, Equipment and Training and Sustainability). OPRES also involves a performance rating scale (the “P”-rating scale) and this scale is used internally in the NZDF and externally in forecasting and reporting. The NZDF OPRES provides robust feedback to the NZDF Executive Leadership Team (ELT) and the Minister of Defence on the ability of the NZDF to deliver military capability. The measures involved in OPRES are covered in Part 2 (Details and Expected Performance for Output Expenses) of the Supporting Information to the Estimates of Appropriations for Vote Defence Force\(^7\).

Performance in Achieving Organisational Effectiveness

The NZDF DPMS allows the measurement of our ability to effectively and efficiently manage a large and complex business. This allows high level visibility of corporate performance (including both effectiveness and efficiency metrics) of the key mega and major business processes that link resource inputs to output achievement and includes both financial and non-financial performance information of organisational health and capability and cost effectiveness measures.

\(^6\) See the definitions of these terms starting on page 64

\(^7\) See also under Section 6 of this Statement of Intent (the Operational Preparedness Framework)
Measurement of Achievement of Defence Main and Intermediate Outcomes.

As explained in Section 3, the NZDF Strategic Plan cascades, within Strategic Themes, from Strategic Perspectives, through Strategic Objectives, to Strategic Initiatives. Like Defence Outcomes, the Strategic Perspectives, per se, are too high-level to measure successfully. At the other end of the scale, the Strategic Initiatives are too low-level as they are really annual or short-term priorities. The NZDF Strategic Objectives, on the other hand, are objectives that are set for the mid-to-long term and will not alter, with any significance, from year to year. They, together with the results of OPRES, therefore seem to provide the most appropriate gateway through which the NZDF can measure its overall performance in achieving the longer-term Defence Main and Intermediate Outcomes (the longer-term results required by the Government for the people of NZ).

A Whole of Government Approach to Defence and Security Outcomes.

The achievement of Defence Outcomes under the Whole of Government approach is, generally, reliant on the contributions from a large number of government departments and agencies that have an interest in wider defence and security issues. In order to adequately measure the wider security outcomes, higher-level indicators and impact measures need to encompass input from all relevant sources. The MoD, DPMC, MFAT, NZ Police, NZ Customs Service, Ministry of Fisheries, the Immigration Service, and other departments and agencies involved in the greater “security of New Zealand and its people”, and actual decision-making by the Cabinet, all have a significant part to play in determining the overall results for Government - the Defence (NZ Security) Outcomes. While it will be some time before a robust, truly Whole of Government approach on this can be achieved, the Ministry of Defence, in conjunction with the NZDF, is promoting moves in this direction and a project on this, sponsored by the MoD, is progressing. The NZDF will continue to identify the indicators and impact measures that are applicable to Defence contributions to national security - in its widest sense. The mid-2008 issued “Framework for NZ Inc Operations Offshore Charter” re-emphasise the benefits of maximising opportunities and minimising risks for New Zealand through whole of government approaches for advancing national interests and national identity offshore. NZDF Defence Attachés and Advisers are aware of this and will work closely with their respective Heads of New Zealand Missions to advance this approach.

Information on the collaboration of the NZDF with other government departments and agencies is included at the end of this section.

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8 Whole of Government denotes government departments and public service agencies working across portfolio boundaries to achieve a shared goal (or outcome) and an integrated government response to particular issues or situations. Whole of Government expects the State sector to work like a single, integrated organisation, rather than a collection of seemingly independent service providers. Whole of Government approaches work on the assumption that responses (to problems) will be more effective if we combine the efforts of all relevant agencies into a single coordinated strategy.

9 For example, a decision by Cabinet to contribute NZDF force elements to various operational missions.

10 In this regard, the Defence Capital Asset Management Practice (DCAMP) Review (completed in late 2006) recommends that a Whole of Government Approach for the security sector of New Zealand should be pursued.
Cost-Effectiveness (Value for Money) of Interventions

Section 40 (d) of the Public Finance Act 1989 requires the provision of information on the cost-effectiveness of interventions; in the case of the NZDF, the delivery of outputs.

The Defence Capital Asset Management Practice (DCAMP) Review, the recommendations of which were taken by Cabinet on 13 December 2006, noted the difficulties of the concept of cost-effectiveness in a defence context. It noted that without significant technical development the usefulness of the concept of cost-effectiveness as an analytical approach in a defence context is limited. The most valuable approach to determining the cost-effectiveness of interventions is the long-term tracking of cost/benefit trends across mission delivery. This tracking can be undertaken within the Defence Performance Management System (DPMS).

The NZDF treats cost-effectiveness seriously. Indeed, as seen on the NZDF Strategy Map on page 19, “Resource Efficiency” is one of the three core Strategic Themes, and “Making best use of Finance and Resources” is a key Strategic Objective (Objective S3). For the NZDF, making the best use of finance and resources requires clear alignment between stakeholder outcomes, the capabilities we provide, and the available resources. Defence policy prescribes the capabilities that the NZDF is required to maintain. The strategic objective therefore focuses on the next level down; the effective management of available resources to best deliver against Defence policy. The two main aspects of cost-effectiveness that the NZDF can manage are:

- Delivering the optimal output allocation mix (clearly aligning the finance and resources to what we deliver), and
- Delivering efficiencies (reinvesting savings back into output delivery).

Progress against this cost-effectiveness objective will be measured in two ways:

- Relating changes in output delivery, over time to changes in resources allocated to deployments, to Force Elements, to Direct Support elements, and to Indirect Support Units.
- Total savings realised from efficiency and transformation initiatives.

The NZDF Strategic Initiatives that will improve the use of NZDF finance and resources are:

- Activity Based Budgeting, and
- Defence Transformation Programme (DTP).  

A summary of a comprehensive benefits map for the objective “Making best use of Finance and Resources” is displayed below:

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11 Discussed within Section 5 of this Statement of Intent
Other cost-effectiveness considerations within the NZDF are as follows:

- There has always been a culture of cost-effectiveness within the NZDF, and this has been and will continue to be encouraged in everything we do. Commanders at all levels are conscious of the need to train as cost-effectively as possible.

- The concept of maintaining force elements at the Directed Level of Operational Capability (DLOC) is, in itself, a major cost-effective measure; noting that maintaining forces at the Operational Level of Operational Capability (OLOC) all the time would be cost-prohibitive (and wasteful).

- It is also relevant to note here that, given the serious nature of employing military force on operations (combat and peace support operations) the NZDF cannot afford to compromise the safety of its personnel by lowering prescribed standards in training (the quality of the output product) in order to achieve a lower cost; to do so would be irresponsible. The aim is to achieve greatest utility in outputs for least cost without compromising safety standards.

- The DCAMP Review Report (2006) recommends that the NZDF and MoD jointly develop a set of metrics for assessing asset efficiency and effectiveness around the following dimensions, which, while not directly related to output production, have a major influence on the ability of the NZDF to produce outputs in a cost-effective manner:
  - utility and fitness for purpose (as assessed against Government Outcomes),
  - life cycle cost,
  - factors affecting asset availability, including maintenance, personnel, and logistic support, and
  - estimated balance of useful life.
The Defence Transformation Programme (DTP), as described later in this Statement of Intent, will be a major driver in promoting a cost-effective NZDF. It is from the DTP that we expect to draw the standards and measures that are required under the Public Finance Act 1989 regarding cost-effectiveness. The following points are relevant:

- The DTP was established in July 2007 to drive economic benefits (cost efficiency) out of several mega processes of Defence, namely Human Resource Management Change Programme, Logistics Change programme, and the Headquarters Change Programme.

- The aim of the programme is to rationalise the costs of delivering the outputs of these processes without materially altering the delivery standards.

- Critical to this reform is the ability to measure the activities of the processes in order to track performance of the baseline status at the start of the programme with the performance achieved through the changes and into the future.

- The establishment of robust and informative key performance measures across the mega processes of the NZDF will be the significant enabler of improvement in the cost-efficiency of the processes.

- Central monitoring of the mega processes and the alignment of resources with performance indicators will create a culture of measurement and improvement.

- The establishment of benchmark measures for similar mega processes outside of the NZDF will provide comparative targets for efficiency; the tracking of the costs of these processes over a period of time will form an internal benchmark.

NZDF Sustainable Business Practice
As part of NZDF-wide efficiency and effectiveness measures, the NZDF continues to focus on cost-effective initiatives to improve the sustainability of its business practices.

The programme currently includes initiatives in relation to the design and energy efficiency of buildings, waste minimisation, vehicle safety and fuel efficiency, travel, procurement practices and managing greenhouse gas emissions.

Inter-Department/Agency Collaboration
As mentioned earlier, the NZDF is not the sole contributor to Defence Policy Objectives or Outcomes, or the security of New Zealand; other government departments and agencies also contribute. The relationship that the NZDF has with these other departments and agencies, under the Whole-of-Government approach, continues to take on increased importance. While not an exhaustive list of departments/agencies that the NZDF has a working relationship with, the table that follows shows those with which the NZDF shares common outcomes, provides a summary of the relationship, and how the NZDF contributes to the shared outcomes. It should also be noted that, in most situations in New Zealand, the other government departments/agencies are being supported by the NZDF, i.e. those departments/agencies take the lead.
Inter-Department/Agency Collaboration

<table>
<thead>
<tr>
<th>Other Departments / Agencies</th>
<th>Shared Outcomes</th>
<th>Summary of the Relationship and NZDF Contribution(^\text{12})</th>
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</thead>
<tbody>
<tr>
<td>Ministry of Defence (MOD)</td>
<td>NZDF Main Outcome: <em>New Zealand secure and protected from external threats now and in the future.</em>&lt;br&gt;MoD two high level Outcomes:&lt;br&gt;• New Zealand is secure.&lt;br&gt;• The security of other nations is enhanced by New Zealand’s efforts.&lt;br&gt;MoD Intermediate Outcomes:&lt;br&gt;• New Zealand’s military capabilities are aligned with our requirements.&lt;br&gt;• New Zealand’s military deployments support our regional and wider international objectives.&lt;br&gt;• New Zealand’s defence relationships are aligned with our security interests and foreign policy goals.</td>
<td>The NZDF and MoD Main and Intermediate Outcomes are mutually reinforcing. The NZDF and MoD have a strong relationship. This relationship, which is critical to Defence’s strategic interaction with the Government, was further enhanced by various projects under the Defence Sustainability Initiative (DSI). NZDF / MoD cooperation is facilitated through:&lt;br&gt;• the Office of Chief Executives (Secretary of Defence and CDF discuss policy issues of mutual interest);&lt;br&gt;• the Executive Capability Board (MoD and NZDF senior military and civilian officials oversee major capital acquisitions);&lt;br&gt;• a joint strategic office directed collaboratively by the Vice Chief of Defence Force and Deputy Secretary Policy and Planning; and&lt;br&gt;• the implementation of shared systems and processes to strengthen collaboration and consultation, and identification of options to create a shared information management environment to support information sharing.</td>
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\(^{12}\) In nearly all cases, the nature of the task and NZDF contribution is such that the division of responsibility (which department/agency does what) is clearly designated via written instructions, standard operating procedures, formal agreements, memorandums of understanding, or other appropriate documentation. This means that each department can independently measure its own performance, albeit that feedback from other departments will usually be sought.
### Other Departments / Agencies

<table>
<thead>
<tr>
<th>Department of Prime Minister and Cabinet (DPMC)</th>
<th>Shared Outcomes</th>
<th>Summary of the Relationship and NZDF Contribution</th>
</tr>
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<tbody>
<tr>
<td>NZDF Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</td>
<td>DPMC serves the Executive (the Prime Minister, the Governor-General, and the Cabinet) through the provision of high quality impartial advice and support services which make government decision-making, including decisions on defence-related matters, easier at both strategic and operational levels.</td>
<td>While Defence has an obvious relationship with the External Assessments Bureau (EAB) of DPMC, the more important relationship is through the Domestic and External Security Group (DESG). The DESG coordinates central government activities aimed at protecting New Zealand’s domestic and external security, including intelligence, counter-terrorism preparedness, emergency/crisis management and defence operations. DESG also provides advice and support to the Officials Committee for Domestic and External Security Coordination (ODESC) - of which the NZDF (CDF) and the MoD (Sec Def) are members. Inter alia, DESG also convenes inter-departmental watch groups, including defence representation, that are set up to monitor major issues and to oversee inter-agency action.</td>
</tr>
<tr>
<td>NZDF Intermediate Outcome 2: Reduced Risks to New Zealand from regional and global insecurity.</td>
<td>NZDF Intermediate Outcome 2: Reduced Risks to New Zealand from regional and global insecurity.</td>
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<tr>
<td>NZDF Intermediate Outcome 3: New Zealand values and interests advanced through participation in regional and international security systems.</td>
<td>The main Outcome that DPMC works to achieve is: Good government, with effective public service support. The DPMC Contributing Outcome that closely relates to the NZDF is: The management of domestic and external security and other risks is well planned, informed and co-ordinated.</td>
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<tr>
<td>NZDF Main Outcome: New Zealand secure and protected from external threats now and in the future.</td>
<td>NZDF Main Outcome: New Zealand secure and protected from external threats now and in the future.</td>
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<tr>
<td>NZDF Intermediate Outcome 2: Reduced Risks to NZ from regional and global insecurity.</td>
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</tr>
<tr>
<td>MFAT Main Outcome (and Mission): New Zealand’s security and prosperity interests are advanced and protected, and our voice is heard abroad.</td>
<td>The core collaborative relationship that MFAT has with the NZDF revolves around diplomacy and, in particular:</td>
<td></td>
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<tr>
<td>The bilateral and regional defence relationships and security cooperation initiatives that are developed. For the NZDF this involves such matters as the Five Power Defence Arrangements (FPDA) and the Mutual Assistance Programme (MAP), actual operations such as NZDF and NZ Police assistance in the Solomon Islands, and the relationships that our Defence Attaches/Defence Advisors have with other Armed Forces around the world. It also involves NZDF participation in a range of military and non-military overseas fora as listed elsewhere in this SOI.</td>
<td>• The bilateral and regional defence relationships and security cooperation initiatives that are developed. For the NZDF this involves such matters as the Five Power Defence Arrangements (FPDA) and the Mutual Assistance Programme (MAP), actual operations such as NZDF and NZ Police assistance in the Solomon Islands, and the relationships that our Defence Attaches/Defence Advisors have with other Armed Forces around the world. It also involves NZDF participation in a range of military and non-military overseas fora as listed elsewhere in this SOI.</td>
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<tr>
<th>Ministry of Foreign Affairs and Trade (MFAT)</th>
<th>NZDF Main Outcome: New Zealand secure and protected from external threats now and in the future.</th>
<th>The NZDF enjoys a close working relationship with MFAT. This relationship ranges from shared decision-making / advice to government on a wide variety of topics, including New Zealand’s participation in overseas military / UN and other multi-national missions, to participation in an equally wide range of regional and global fora. The ultimate objective is to advance New Zealand’s interests, which includes working toward reducing risks to New Zealand.</th>
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<tr>
<td>NZDF Intermediate Outcome 2: Reduced Risks to NZ from regional and global insecurity.</td>
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<tr>
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</table>
| (MFAT continued)             | MFAT Intermediate Outcome 1: New Zealand’s security interests safeguarded.  
MFAT Intermediate Outcome 5: The rights of New Zealanders abroad protected. | • Supporting New Zealand citizens caught up in emergency situations overseas. For the NZDF this may involve, on the decision of Cabinet, the deployment of NZDF force elements to evacuate New Zealand citizens and possibly others from emergency situations (military and non-military) overseas. |
| NZ Police                    | NZDF Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.  
The related New Zealand Police Outcome: Confident, Safe and Secure Communities. | The NZDF enjoys a special working relationship with the New Zealand Police. In all cases in New Zealand, except CBRE/IEDD, the NZ Police is the lead department; the NZDF is in support. Recently, a comprehensive Memorandum of Understanding (MOU) has been concluded with the NZ Police. It covers the wide range of NZDF / NZ police working relationships, including but not limited to:  
• Counter-Terrorist Operations (and training for same).  
• Search and Rescue (land, sea and air); this in concert with MNZ/RCCNZ (see below).  
• IEDD/CB Response – CBD and national coverage.  
• Special Police Operations supported by the NZDF (involving sea days, air flying hours and, where required, man-days).  
• Other one-off assistance to the New Zealand Police in New Zealand and the Pacific, as required.  
The NZDF and NZ Police are also working side by side in restoring or maintaining law and order in several Pacific Island nations. |
| Ministry of Fisheries (M Fish)| NZDF Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.  
NZDF Intermediate Outcome 2: Reduced Risks to New Zealand from regional and global insecurity. | The NZDF and the Ministry of Fisheries have had a long-standing relationship revolving around the NZ EEZ and the protection of our fisheries.  
Using its aerial and surface surveillance capabilities, the NZDF has a responsibility for the surveillance of the NZ EEZ. The Ministry of Fisheries and NZDF share information on offshore fishing operations to ensure that surveillance efforts are directed at the areas of highest risk and that fisheries-related surveillance capacity is efficiently used. |
<table>
<thead>
<tr>
<th>Other Departments / Agencies</th>
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<tr>
<td><strong>(M Fish continued)</strong></td>
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<td>The NZDF’s support to the Ministry of Fisheries under the NZDF’s Multi-Agency Operations and Tasks (MAO&amp;T) will take on increased significance as the new Offshore and Inshore Patrol Vessels (OPVs and IPVs) of the Navy (under Project PROTECTOR), are introduced into service. In addition, the long-range maritime patrol aircraft (P3-K Orion) contribute to the NZDF/Ministry of Fisheries working relationship. The bulk of the Ministry of Fisheries tasking requirements of the NZDF are coordinated through the National Maritime Coordination Centre (NMCC) located at HQ JFNZ, Trentham.</td>
</tr>
<tr>
<td><strong>Ministry of Fisheries</strong></td>
<td>Ministry of Fisheries Main Outcome: The value New Zealanders obtain through the sustainable use of fisheries resources and protection of the aquatic environment is maximised.</td>
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</tr>
<tr>
<td><strong>New Zealand Customs Service</strong></td>
<td>NZDF Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. NZDF Intermediate Outcome 2: Reduced Risks to New Zealand from regional and global insecurity. New Zealand Customs Service Outcome: Border Security - New Zealand is protected from threats to national security by Customs’ situational awareness and readiness to respond.</td>
<td>The NZ Customs Service facilitates the movement of people, craft and goods across the border and protects New Zealand’s border and revenue, so that New Zealanders can benefit from participating in international trade and travel while being protected from the potential risks that go with that. This role involves both the facilitation of legitimate trade and travel and enforcement of the law to ensure that illicit goods or people do not enter or leave New Zealand. The NZDF, Navy and Air Force in particular, support the role of the NZ Customs Service, the flows of people, goods and craft in particular, by the provision of planned surveillance of NZ’s air and sea borders. This role, under the NZDF MAO&amp;T, will take on increased significance as the new Offshore and Inshore Patrol Vessels (OPVs and IPVs) of the Navy (under Project PROTECTOR) are introduced into service.</td>
</tr>
<tr>
<td><strong>Maritime New Zealand (MNZ)</strong> [Formerly Maritime Safety Authority (MSA) of New Zealand]. [And by association, links with the RCCNZ, the SAR Council of NZ, the SAR Consultative Committee, CAA and NZ Police]</td>
<td>NZDF Intermediate Outcome 1: Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. The MNZ vision, as part of the wider New Zealand Transport Strategy, is: Safe, secure and clean seas.</td>
<td>Maritime New Zealand is a Crown Entity that has maritime safety as a core objective. Roles most closely related to the NZDF include development of maritime safety rules, management and coordination of national and international search and rescue, promotion of and education in maritime safety, and maintenance of the NZ marine oil spill response strategy and national contingency plan. The NZDF is required to assist Maritime New Zealand, on request, with search and rescue operations. Normally, it is the P3-K Orion aircraft or helicopters of the RNZAF and/or RNZN vessels and helicopters that will be involved in such assistance. These defence assets will also report pollution and oil spills</td>
</tr>
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</table>
### Other Departments / Agencies

#### (MNZ continued)

<table>
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<tr>
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<tbody>
<tr>
<td>The Board of MNZ promotes maritime safety, environmental protection and security through standard setting, monitoring, education, compliance, safety services and oil pollution response.</td>
<td>in the course of their normal routine military training activities. They will also support measures, coordinated by Maritime New Zealand, to enhance New Zealand’s maritime security. The NZ Army and the RNZAF are also frequently involved in SAR on land.</td>
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<tr>
<td>[Note: On 5 July 2004 the Rescue Coordination Centre New Zealand (RCCNZ) took over responsibility for Class III SAR activity in New Zealand’s SAR Region. The new Centre is managed by Maritime New Zealand under a MOU with the CAA].</td>
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### New Zealand Security Intelligence Service (NZSIS)

| New Zealand Security Intelligence Service (NZSIS) | The first responsibility of government in a democracy is the security of its country and citizens. That security cannot be taken for granted, and most nations around the world have some form of arrangements in place to warn about threats which could endanger or harm their people. The NZSIS gathers information related to New Zealand’s security, assesses its significance, and gives advice to appropriate stakeholders. The first of the NZSIS’s Primary Outcomes (to which it contributes) is: New Zealand’s interests are protected from acts of terrorism, espionage, sabotage and subversion. NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. | The NZSIS is one of a small group of intelligence agencies, each with its own responsibilities, which make up New Zealand’s intelligence and security community. All of the agencies in that community work towards achieving the national security policies of the New Zealand Government. These policies aim to: • protect and promote New Zealand’s defence, foreign policy, and national economic interests, • protect New Zealanders and their property, • detect and prevent serious overseas-based crime which could affect this country, and • protect against threats from terrorism and espionage. The NZSIS makes its contributions to the above in accordance with the NZSIS Act. The NZDF contributes to the work of the NZ SIS by providing information that its own intelligence sources, indeed any elements within the NZDF, may acquire; albeit, the major flow of information is from the NZSIS to the NZDF and other relevant government departments/agencies. The NZDF maintains a permanent representative within the Combined Threat Assessment Group which is hosted by the NZ SIS. The NZDF is the largest customer of the NZ SIS in terms of personnel security vetting procedures. |
## Summary of the Relationship and NZDF Contribution

The NZDF’s long-standing working relationship with GCSB is similar to that that the NZDF has with the NZ SIS; involving, as it does, the *intelligence and security community*. Each of New Zealand’s intelligence and security agencies within that community has its own distinct responsibilities. However they all work towards achieving the national security policies of the New Zealand Government.

The NZDF / GCSB relationship involves the sharing of information and intelligence, as appropriate. This can best be summed up by GCSB’s description of its output expense: “Advising and assisting government departments and agencies on matters related to the security and integrity of classified or sensitive information processed, communicated or stored by electronic means, and information to meet the national intelligence requirements of the New Zealand Government”. This includes “support to the NZDF military and peacekeeping activities”.

### NZDF Main Outcome: New Zealand secure and protected from external threats now and in the future.

**NZDF Intermediate Outcome 1:** Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.

**GCSB Outcomes 2, 4 and 5 relate closely to Defence:** A Government alerted to any external threats; Official information is protected; and Critical national infrastructure is protected.

### NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.

The NZDF and the Ministry of Civil Defence and Emergency Management have always had a close working relationship on civil defence matters.

The NZDF maintains representation and/or liaison at local, regional and national civil defence levels, including on the Officials Working Group for Domestic and External Security Coordination (ODESC). NZDF resources (personnel and equipment, including vehicles and helicopters) will be made available, if available at the time, to support declared local, regional or national civil defence emergencies. In addition, NZDF personnel and assets are made available from time to time to participate in civil defence training exercises.

The types of assistance offered by the NZDF were evident and well publicised during the civil defence emergencies of major flooding in the Manawatu and Bay of Plenty in 2004, the snow falls in Canterbury in June 2006 and the floods in Northland in July 2007.

<table>
<thead>
<tr>
<th>Other Departments / Agencies</th>
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<th>Summary of the Relationship and NZDF Contribution</th>
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</table>
| **Government Communications Security Bureau (GCSB)** | NZDF Main Outcome: New Zealand secure and protected from external threats now and in the future. NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. GCSB Outcomes 2, 4 and 5 relate closely to Defence: A Government alerted to any external threats; Official information is protected; and Critical national infrastructure is protected. | The NZDF’s long-standing working relationship with GCSB is similar to that that the NZDF has with the NZ SIS; involving, as it does, the *intelligence and security community*. Each of New Zealand’s intelligence and security agencies within that community has its own distinct responsibilities. However they all work towards achieving the national security policies of the New Zealand Government. The NZDF / GCSB relationship involves the sharing of information and intelligence, as appropriate. This can best be summed up by GCSB’s description of its output expense: “Advising and assisting government departments and agencies on matters related to the security and integrity of classified or sensitive information processed, communicated or stored by electronic means, and information to meet the national intelligence requirements of the New Zealand Government”. This includes “support to the NZDF military and peacekeeping activities”.

**Department of Internal Affairs - Ministry of Civil Defence and Emergency Management** | NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. The Department of Internal Affairs / Ministry of Civil Defence and Emergency Management Outcome that most closely relates to the NZDF is: Safer Communities. | The NZDF and the Ministry of Civil Defence and Emergency Management have always had a close working relationship on civil defence matters.

The NZDF maintains representation and/or liaison at local, regional and national civil defence levels, including on the Officials Working Group for Domestic and External Security Coordination (ODESC). NZDF resources (personnel and equipment, including vehicles and helicopters) will be made available, if available at the time, to support declared local, regional or national civil defence emergencies. In addition, NZDF personnel and assets are made available from time to time to participate in civil defence training exercises.

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<tbody>
<tr>
<td>Department of Conservation (DOC)</td>
<td>NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. DOC Outcome: Conserving and managing New Zealand’s natural, historic and cultural heritage provides increasing benefit to New Zealanders.</td>
<td>DOC administers most of the Crown Land in New Zealand protected for scenic, scientific, historic or cultural reasons, or set aside for recreation. This is almost a third of New Zealand’s land area, including national, forest and maritime parks, marine reserves, nearly 4,000 reserves, river margins, some coastline and many offshore islands. The NZDF has been a regular contributor to many facets of DOC’s work. While the Navy has a particular relationship with DOC in terms of conducting surveillance and enforcement tasks in island areas and providing resupply of stores and equipment to remote islands, the Army and Air Force are regularly requested to assist in supporting DOC tasks.</td>
</tr>
<tr>
<td>National Maritime Coordination Centre (NMCC)</td>
<td>NZDF Intermediate Outcome 1: Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure. The NMCC coordinates services for civilian purposes that support the effective and efficient use of New Zealand’s ‘whole-of-government’ maritime patrol and surveillance assets.</td>
<td>The NMCC is co-located with HQ Joint Forces New Zealand at Trentham. It is managed and operated as a separate unit within a host agency - that agency being the New Zealand Customs Service. It is through the NMCC that NZDF assets, such as the P-3K Orion maritime patrol aircraft, the Offshore and Inshore patrol vessels, and other NZDF assets, are coordinated to support multi-agency operations and tasks in the New Zealand environment in support of a range of government departments and agencies, such as the New Zealand Customs Service, Ministry of Fisheries and the New Zealand Police Force.</td>
</tr>
</tbody>
</table>
Section 5: Major Programmes of Work

This section provides relevant information on the current major portfolios of work within the NZDF. It covers the ongoing programmes relating to the Shaping and Rebuilding of the NZDF, the Defence Transformation Programme, and the Army Transformation Programme. Comment is also made on the current Defence Review.

Shaping and Rebuilding the NZDF and Defence Capital Acquisition Programme

Seven key principles guide the on-going process of shaping and rebuilding NZDF capabilities. These are that the NZDF be:

- **Equipped and trained for combat and peacekeeping.** In order to perform the key tasks required by the Government, the NZDF must be appropriately equipped and trained for both combat and peacekeeping.

- **Deployable.** To be able to deploy and sustain our forces, particularly over long distances, a flexible and adaptable mix of air and sealift capabilities are required.

- **Able to operate alongside other forces.** Exercising bilaterally with Australia and multilaterally through the Five Power Defence Arrangements (FPDA) and others builds up the NZDF’s interoperability.

- **Held at appropriate levels of readiness.** The NZDF must be equipped and trained at appropriate levels of readiness.

- **Sustainable.** Contributions to deployments may be for long periods and involve rotations of personnel and equipment. NZDF resources must be managed to ensure that commitments can be sustained.

- **Up to date in technology and doctrine.** It is essential that the NZDF keep abreast of military technology and other changes in military operations - the so called Revolution in Military Affairs (RMA) - but having due regard for the high costs involved, in order to retain operational effectiveness and interoperability with our friends and allies. A progressive approach to the introduction of new technology will help to smooth out the costs, and consideration may also need to be given to retaining a lesser range of capabilities.

- **Fiscally sustainable.** The Government wants to ensure that our defence dollars are spent wisely. The focus in rebuilding the NZDF will be in the areas of most urgent need.

The core requirement is for well-equipped, combat-trained land forces which are also able to act effectively, supported by the Navy and Air Force.

Defence continues to maintain a capital acquisition programme. That programme provides the Government’s intention for re-equipping the NZDF. It provides a comprehensive list of all planned major acquisitions with preliminary estimates, timings and priorities. It has a rolling forward focus and links the Government’s defence policy objectives with capability requirements. The programme is regularly updated and continues to be a key planning document to support the decision-making
processes required for shaping the future capabilities of the NZDF. The capability acquisition programme will be subject to a complete review as part of the current Defence Review 09.

In recent years the NZDF has introduced into service a number of new capabilities, while other capabilities are either being acquired or being developed for approval.

The NZDF’s current major capability projects are outlined below. (These are as at the time of preparation of this Statement of Intent, and, as mentioned above, will be subject to review by Defence Review 09):

**Capability Already Introduced into Service**

- **New Zealand Light Armoured Vehicle (NZ LAV):** provides the NZDF with a modern, light armoured vehicle.
- **Pinzgauer Light Operational Vehicle (LOV):** replaced the NZDF’s ageing Land Rover fleet with a modern, light, operational vehicle.
- **Medium Range Anti-Armour Weapon:** provides land forces with a medium-range capability against armoured threats.
- **Very Low Level Air Defence Cueing System:** delivers an auto-cueing and identification friend or foe capability to the Mistral air defence system.
- **Defence Headquarters Building:** provides a new Wellington building for Headquarters New Zealand Defence Force.
- **Improvised Explosive Device Disposal (IEDD):** enhances the NZDF’s IEDD disposal capability.
- **Multi-Role Vessel (HMNZS Canterbury):** provides a tactical sealift and amphibious capability to the NZDF as part of Project Protector.
- **Boeing 727 Replacement:** replaces the Boeing 727 aircraft with the Boeing 757 aircraft, which has a greater range and payload capacity (linked to Boeing 757 Modification).

**Projects Approved and in the Acquisition Phase**

- **Boeing 757 Modification:** upgrading the Boeing 757’s to meet the NZDF’s strategic airlift capability needs (linked to Boeing 727 Replacement).
- **Patrol Vessels (Offshore and Inshore Patrol Vessels):** acquisition of patrol vessels to meet the NZDF’s maritime surface patrolling and surveillance requirements as part of Project Protector.
- **Special Operations Capability:** providing new and upgraded equipment to enable the NZDF to undertake special operations.
- **C-130 Hercules Life Extension:** upgrading the avionics, self protection systems and structural refurbishment work on the C-130 Hercules aircraft.
- **C-130 Hercules Self-Protection:** upgrading the self-protection systems to provide the ability to detect and counter threats, primarily man-portable infrared missiles.
- **P-3K Orion Mission Management, Communications, and Navigation Systems upgrades:** upgrading the mission management, communications, and navigation systems for the P-3K Orion aircraft.
• NZDF Medium Utility Helicopter Capability: replacing the Iroquois helicopter with the NH-90 medium utility helicopter.

• NZDF Training/Light Utility Helicopter Capability: replacing the Sioux helicopter with the Augusta Westland A-109 helicopter.

• Replacement of Devonport Naval Base Fuel Installation Facilities: rationalising and modernising the marine fuel installation at the Devonport Naval Base.

• Replacement of Devonport Naval Base 60Hz Power Generation and Reticulation facilities: upgrading the 60Hz power generation and reticulation system at the Devonport Naval Base.

• Ohakea Base Taxiway Reconstruction: reconstruction work on Ohakea’s taxiways prior to the arrival of the new NH-90 medium utility helicopters.

• Whenuapai Upgrade Programme: upgrade of essential infrastructure at RNZAF Base Whenuapai.

• Ohakea Base Essential Infrastructure Programme: upgrade of essential infrastructure at RNZAF base Ohakea.

• ANZAC Class Close-In Weapon System Upgrade and Refurbishment: upgrade of the ANZAC Class frigates last line of defence and protection from anti-ship missiles, strike aircraft and fast inshore attack craft.

• Night Vision Equipment: new night vision equipment to meet the NZDF’s operational and training requirements.

• ANZAC Class Platform Systems Upgrade: this project seeks to ensure that the ANZAC Class frigates’ platform systems (that enable the ships to move, float, generate power, recover from damage and accommodate people) remain viable.

Projects Approved in Principle by the Government (subject to review by the current Defence Review)

• Advanced Pilot Training Capability (APTC): this project will consider options for the B200 King Air Replacement.

• Joint Command and Control System (JCCS): this project is intended to implement an information technology enabled command and control system for the NZDF as part of an NZDF-wide Network Enabled Capability (NEC) Strategy.

• ANZAC Class Self-Defence Upgrade: this project will upgrade the ANZAC Class frigates’ self-defence systems to protect the Naval Combat Force and ships under its immediate protection.

NZDF major capability projects under development (subject to review by the current Defence Review)

• Joint Communications Modernisation: this project proposes to modernise the NZDF’s long and medium range communications capability to maintain a reliable, integrated, world-wide communications infrastructure.

• Land Transport Capability Programme: this programme will replace the NZDF’s general service vehicle fleet, including medium and heavy vehicles, trailers and mechanical handling equipment.
• Land Command, Control, Communications and Computers, Intelligence, Surveillance, and Reconnaissance (LAND C4ISR): this project will create a land-based C4ISR system able to exploit the advances in data information exchange.

• NZDF Satellite Communications Capability: this project involves the acquisition of a guaranteed secure satellite communications capability for the NZDF.

• P-3K Orion Self-Protection: this project intends to equip the P-3 with a self protection capability to counter likely threats, primarily man-portable infrared (IR) missiles.

• P-3K Orion Air-to-Surface Weapons: this project intends to equip the P-3 with an air-to-surface weapon capability.

• NZDF Torpedo Replacement: this project intends to replace the torpedoes for the ANZAC frigates, P-3K Orions and SH-2G Seasprite helicopters.

• Special Operations Training Facilities: New or upgraded Special Operations training facilities.

In addition to the above projects a number of NZDF capability projects are being advanced as part of the Defence Capital Minors Programme, including:

• High Preparedness Infantry Company: this project will develop a highly prepared force element equipped and trained to meet short notice security and stability contingencies. Work is underway with Defence to scope and cost this project.

• Army Manoeuvre Range: a moving target range is a key training enabler for soldiers and commanders to practise skills necessary to conduct motorised operations. The moving target range has been completed and is being introduced into service.

• Army Engineering Equipment: improving the Army’s engineering equipment. Equipment includes Combat Engineering tractors (under acquisition), Rapid gap crossing system (under acquisition), and water purification/storage facilities (being introduced into service).

• Combat Service Support Vehicles: providing combat service support vehicles and associated equipment to support the LAVs. This project is in the acquisition and introduction into service phase.

• Direct Fire Support Weapon: providing the Army with an automatic grenade launcher and fire control systems. This project is in the development phase.

• NZDF Weapon Replacement: replacing, upgrading or acquiring new small arms-based weapons systems for the NZDF. This project has been approved by Government and an acquisition strategy is being prepared.
NZDF’s Capital Intentions

Shaping and Rebuilding the NZDF, as in the foregoing paragraphs, has a direct relationship with the Defence capital acquisition programme and infrastructure improvements. It is therefore appropriate to include here the NZDF’s Capital intentions as most of the capital appropriated is channelled into these areas. The NZDF’s forecast capital expenditure for the next four years is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>2009/10 $ million</th>
<th>2010/11 $ million</th>
<th>2011/12 $ million</th>
<th>2012/13 $ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-Term Development Plan, including Infrastructure</td>
<td>678</td>
<td>355</td>
<td>341</td>
<td>255</td>
</tr>
</tbody>
</table>

Note: The above table shows the values as currently appropriated - that is, the upper limits - not to be exceeded.

Defence Sustainability Initiative

The Defence Sustainability Initiative (DSI) has been well publicised in NZDF annual Statements of Intent since 2005/06 and the NZDF Annual Reports since 2005. In summary, in response to the Defence Capability and Resourcing Review (DCARR), the Government of the day, in 2005, committed to providing the NZDF with the financial resources to recover and grow. The package was to enable the NZDF to develop military and organisational capability to a level that would ensure the Government’s defence policy objectives could be met on a sustainable basis.

The DSI funding package provided the financial resources to:

- restore personnel numbers in the three services, HQ NZDF and HQ JFNZ to the levels required, over a period of time;
- address the number and trained state in some trades deemed as critically deficient;
- replace and upgrade some major weapons platforms in accordance with the Government’s intentions, through the LTDP;
- raise the standard of some military equipment (other than major weapons platforms) that is currently beneath the required standard;
- return contingency reserve stocks to acceptable levels;
- reduce the substantial backlog of maintenance and capital expenditure in the Defence Estate, over the longer term; and
- restore aspects of corporate management capability that are currently severely depleted.

The DSI was required to be reported on annually and subject to a formal mid-term review in 2009/10. The projects that come under the DSI are now essentially Business as Usual.

Defence Review 09 will review the DSI and recommend on its future.
Defence Transformation Programme

The Defence Transformation Programme (DTP) is a comprehensive, Defence-wide change programme, supported and endorsed by the Chief of Defence Force and Executive Leadership Team (ELT). Its vision is to have: “A single organisational approach enabling simpler and better support functions to the three Services and Operations”. This means that support functions will be driven by Defence priorities, with regard for Service specific requirements. Through identifying better processes and simpler structures that reflect a single organisational approach, the DTP aims to free up resources to invest back into the front line.

During 2008 the DTP successfully placed Military personnel on their new remuneration sector, tier and step, marking a significant step toward a more flexible and employment market responsive pay system. The DTP also met cost savings targets and completed a comprehensive review of scope and deliverables.

After a year, the ELT decided it was prudent to refocus the DTP on accelerated change to meet a July 2010 deadline. (The scope, structure and resources necessary for the original five change programmes to deliver the benefits simultaneously was recognised as being high risk). The programmes were thus reorganised with a tighter focus on those streams that would achieve truly transformational change. The continuous improvement within Communications and Information Systems Branch meant that the Information and Technology objectives could be better met through business-as-usual activities. The Defence Estate programme has longer timelines and was formally transferred out of the DTP structure to be considered at a strategic planning level. The Education and Training Programme was incorporated into the Human Resources Management Programme to provide a holistic view of personnel training, development and management, and a new programme of work was added in the form of a Headquarters Change Programme.

The three DTP change programmes are:

- **Human Resources Management (HRM) Change Programme**: This programme will focus on HRM structures and delivery, looking at how the HR function can provide the right tools, data, and HR Information Systems information to enable timely, quality decision making. A payroll project will also explore how to streamline and improve the complicated processes within NZDF payroll.

- **Logistics Change Programme**: Logistics is a substantial and complex business area, with significant resources attached in the form of personnel, budget, assets and inventory. Given its broad reach, even small efficiencies in Logistics could create significant gains elsewhere. The Logistics Change Programme is exploring those efficiency opportunities in order to identify the best Logistics model for the NZDF.

- **Headquarters (HQ) Change Programme**: The HQ NZDF has to effectively support the Chief of Defence Force and Service Chiefs to deliver government requirements and operational outputs. The HQ Change Programme is exploring how to do this most effectively, removing duplication of process and improving productivity.

All three programmes will use previous research, comprehensive stakeholder analysis and interviews, and verification of new structures and processes through analysis and data modelling to develop recommendations. By the end of 2009 the DTP will begin simplifying and refocusing the support activities in the HRM, Logistics and HQ areas. The DTP will constantly look for opportunities to preserve military capability, be simpler, better, more effective and efficient.
Defence Review 09

The change of Government brings with it a review of Defence (Defence Review 09). The main focus of the review, which commenced in early 2009, is on whether or not the Armed Forces can meet the military capability requirements that the government may require of it in the future, and if it can’t, what needs to be done. The review will provide a fresh look at the capability requirements that shape our defence forces to ensure that they have the right balance for the foreign policy and security requirements of the next decade. The main priorities for the review include:

• Development of prioritised Defence strategy to deliver outcomes,

• Organisational and operational improvement, and

• Improved value for money.

Army Transformation Programme (ATP)

The Army Transformation Programme (ATP) stemmed from the 2006 Army Configuration Review (ACR). The ATP Report confirmed the earlier conclusions of the Defence Capability and Resourcing Review (DCARR) that, to meet all Government policy requirements, an Army of greater size than currently exists would be required.

In early 2008 the ATP report went through the final governance processes within the NZDF. The ATP proposed the reconfiguration of the Army to sustain current and predicted operations while preserving core capabilities as a basis for future growth. In mid-2008 the Minister elected to defer any major policy decisions arising from the ATP until completion of the then predicted Defence Review in 2009. The Minister approved further growth of an additional 220 personnel within the Army (over two years) to alleviate pressure in sustaining current operations.
Section 6: Managing in a Changeable Operating Environment / NZDF Management Framework

This section provides a summary of the NZDF Management Framework, including risk assessment and management. More detail has been provided on our Operational Preparedness Framework as this is at the core of our mission delivery.

Overview

The NZDF needs to be united, professionally trained, competent at what it does, appropriately equipped, and capable of serving the interests of New Zealand, whenever and wherever that may be. Robust planning for the future, near-term and long-term, within many unknowns, needs to be an essential hallmark of the NZDF’s business as usual. It is essential that the NZDF has the correct management and evaluative tools to enable robust resource management and decision-making into the future. The requirement to be able to continually review and prioritise projects, programmes and scarce resources within the NZDF is vital.

Under the umbrella of the Defence Planning Framework (DPF) the NZDF has developed and maintains planning systems to support the achievement of Defence Outcomes and the delivery of NZDF Outputs, and to remain effective and efficient in administration. The DPF also includes processes for strategic and operational planning, resources and financial planning, performance evaluation and a range of corporate information and management systems. The DPF provides the overarching framework that will align all planning with defence policy, corporate goals and strategies. Components of the DPF include:

- the NZDF Strategic Plan (covered in Part 3), and related Strategic Plans of the three Services,
- the Capability Management Framework (CMF),
- the Operational Preparedness Framework, and
- the Strategic Human Resource Framework,
- the Knowledge Management Framework,
- the Defence Performance Management Framework (see the part on Measurement of the NZDF’s Performance within Section 4),
- the Risk Management Framework,
- the Financial Management Framework,
- Annual Plans (NZDF, the Services and Headquarters Joint Forces).

13 More detail provided within this Section.
Capability Management Framework (CMF)

NZDF capabilities rely heavily on capital equipment in most areas of activity - ships, aircraft, vehicles and weapons. For that reason comprehensive processes are necessary to ensure that:

- capability requirements are properly defined,
- acquisition processes are sound,
- capital assets are managed properly during the course of their life; and
- capital replacement projects are initiated in a timely manner.

These processes are defined in Defence’s internal Capability Management Framework (CMF), which is a governance and management system for long-term investments in defence capabilities. The CMF is the means through which Government defence policy is translated into military capabilities that are able to meet the Government’s security objectives. The CMF is designed to give clarity of responsibility, accountability and process throughout the life of a capital project.

The CMF strategy focuses on identification of all the functional components of the proposed capability and on the quality of the information required in major defence capability projects (new and upgraded), including cost estimates, operational assessments and whole-of-life management.

The CMF is under review to incorporate capital asset management policy and practices.

Operational Preparedness Framework

Military Capability

Military Capability is the power to achieve a desired operational effect in a selected environment and to sustain that effect for a designated period. It is the combined effect that systems of inputs have in helping to achieve a particular operational consequence. Military capability goes beyond just equipment. Rather it includes all necessary components that, together, enable a military capability to achieve an operational effect. The elements that make up military capability are preparedness, and the components described by the acronym PRICIE as follows:

- Personnel (all personnel elements of the capability including personnel sustainment and individual training).
- Research and Development.
- Infrastructure/organisation/structures, all major infrastructural works projects.
- Concept of operations/doctrine/ collective training.
- Information/technology.
- Equipment and Logistics.

Military Capability comprises an amalgam of PRICIE and preparedness. PRICIE encompasses the quantitative dimension of NZDF Outputs, and preparedness is the qualitative dimension. While PRICIE comprises many components, as shown above, for simplicity of reporting the NZDF will focus on three major quantitative elements, Personnel, and Equipment and Training (PET). Together, these are termed Force Structure.
The ability of the NZDF output expense force elements to be employed on military tasks is a function of the preparedness state in which they are held. That is, force elements must be held at a level of capability from which they can be raised to an operational status within a specified time, then deployed for the conduct of a particular type of military task and be sustained for a specified period while engaged in that task. Within the NZDF there are four ingredients of preparedness - Readiness; Combat Viability; Deployability; and Sustainability. These are defined as follows:

- **Readiness.** Readiness is the current proficiency and effectiveness of a force to conduct a range of activities defined against a Directed Level of Capability and Employment Context, and that provide options for employment on military tasks within a specified Response Time. The force readiness comprises personnel, trained state (individual and unit), equipment held, and equipment condition (serviceability), and includes tactical command, control, communications and intelligence.

- **Combat Viability.** Combat Viability is the in-theatre ability of a force to achieve its military task or mission using current resources. It incorporates the following:
  - the ability of service personnel to engage in combat with due regard to morale, leadership, and a sense of mission;
  - the sufficiency of equipment and its design/technology standards to provide firepower, protection to personnel and other battlefield attributes to the level required by the threat;
  - the adequacy of military doctrine and tactics to make effective use of personnel and equipment;
  - the standard of collective or combined training;
  - the ability of the force to achieve the level and duration of fighting to achieve its objectives; and
  - the effectiveness of standardisation when working with friendly forces.

- **Deployability.** Deployability is the capacity of a force element to move to an Operational Level of Capability, complete final preparations, and assemble for deployment within a specified time. Effected deployability includes the completion of OLOC generation training, preparation of deployment equipment and munitions, and positioning personnel and equipment for embarkation by air or sea.

- **Sustainability.** Sustainability is the ability to support a designated force at operating tempo throughout the duration of an operation. It includes the availability of replacement personnel, equipment maintenance, sufficiency of second and third line stocks, and the lift capacity to carry them into theatre and to those force elements requiring them.

The relationship between force structure and preparedness is shown in the following diagram:
Level(s) of Capability

Using Employment Contexts (ECs) it is possible to establish the Operational Level of Capability (OLOC) that a force element needs to have reached in order to carry out its military tasks effectively. For a force element to be at its OLOC for a particular EC means that it has the requisite preparedness state, i.e., the force element is ready, combat viable, deployable and sustainable. The OLOC requirements for all NZDF force elements are detailed within Schedule 4 of the NZDF Output Plan.

A force element can be held at differing levels of capability. The quantitative dimension, i.e. force structure, cannot be varied on an annual basis given the long-term nature of defence investment decisions. However, the qualitative dimension can be varied by dictating the preparedness at which the force element is held, and may differ for particular ECs.

To hold a unit at OLOC on a routine basis is expensive and demanding on equipment readiness and personnel availability and training. Accordingly, in defining the ECs and determining the likely tasks to be performed by a particular force element, it is possible to derive the likely time that the force element will have before it must be deployed and start operations once committed by Government. This time, known as the Response Time, can be used to raise the level of capability of the force element from some lower level to OLOC. Response Time gives the force time to: assemble and concentrate its personnel, stores and equipment; undergo additional individual and collective training; and carry out specific planning for operations. That is, time to make it available for deployment to a particular area of operations.

Response Times will vary depending on the plausible setting (Employment Context) in which the force element may be used. For example, the Response Time for the Counter-Terrorist forces is very short, meaning that they must be immediately available for such military tasks, while the Response Time for force element contributions to a battalion group is longer and their day-to-day readiness can be

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14 See Section 2 of this Statement of Intent
designated accordingly. The longer the Response Time a force element has, the lower the level of capability, up to a point, that the force element has to maintain on a routine basis. Response Times for individual force elements for likely contingencies are detailed in Schedule 4 to the NZDF Output Plan (a classified document).

Once the actions required to generate OLOC within Response Time are known, it is possible to derive the level of capability that must be held by the force element on a routine basis (day-to-day business as usual training), and this is known as the Directed Level of Capability (DLOC). It is this level of capability that the NZDF is funded to maintain during each financial year in order to provide the Government with options for the commitment of military forces. In purchasing this level of capability the Government retains in the NZDF the essential minimum capacity from which operationally effective force elements may be generated within agreed Response Times.

When a force element is activated to perform a military task, additional funding may be required to enable that force element to transition from DLOC to OLOC (i.e., to resource the additional training and stores usage) for the deployment and for the sustainment of the activated force element for the expected duration of the operation.

In exceptional circumstances (for example for personnel, technical, or financial reasons), the CDF may grant approval, for a specified period, for a force element to maintain a lower level of capability than would otherwise be desirable. The lowest level of capability is Basic Level of Capability (BLOC). This is the minimum level at which military capabilities have to be held if they are not to be lost. At this level a force element could not reach an OLOC in less than six months, so will not generally be available for military tasks.

As a result of equipment modernisation action, commissioning or decommissioning, a force element may not be able to achieve a level of capability. In this case it is classified as at No Level of Capability (NLOC) and would not be expected to be available for military tasks.

The quantitative dimension of outputs, i.e. Personnel and Equipment, represent fixed costs in the short term and thus cannot provide a sensitive mechanism for varying the amount and cost of the NZDF’s annual product. However, as a general statement the outputs’ qualitative dimensions, i.e. its preparedness state can be varied in the short term. For example, these can be adjusted on an annual basis by increasing or decreasing the amount of readiness training activities undertaken by a force element which will vary the consumption rate of items such as fuel and munitions used during such training. However, there is a minimum level of readiness training activities that need to be undertaken on an annual basis to keep units viable.

Varying the training activities has a direct impact on the DLOC of a force element, i.e., if training activities are reduced, then the DLOC is reduced and the force element would:

• not be able to generate OLOC in the specified Response Time; or,

• require the Response Time to be increased to allow for the extra activities that would need to be undertaken to generate OLOC.

In summary to the above, the qualitative dimensions of NZDF outputs offers the potential to vary in the short term (i.e. on an annual basis) the cost of what the NZDF can be tasked to produce. However, there are consequences to making such choices as any extension to Response Time, for example, has an increased activation cost in that more activities have to be undertaken to raise the force element from DLOC to OLOC, and there is a risk that force elements may not be available in time to provide military options to Government.
Operational Preparedness Reporting System (OPRES)\textsuperscript{15}

The measurement of the performance of force elements/forces deployed on actual operations (i.e. activated force elements) is achieved in terms of successful completion of the task or mission within the resources allocated. For those force elements that are not activated within a given year, OPRES provides for their operational preparedness evaluation (and reporting) at DLOC (as defined above). OPRES, which is part of the wider Defence Performance Management System (DPMS), reports to CDF on the standards reached against the standards set as a measure of output delivery\textsuperscript{16}. OPRES also now informs CDF and the Minister of Defence on the forecast capability of the force elements of the NZDF.

The NZDF Inspector General (Commander Joint Forces New Zealand) monitors and evaluates the OPRES that provides data on the preparedness of designated force elements at assigned Levels of Capability and Response Times for activation as required. NZDF operational force elements report their preparedness against the output specifications. OPRES reports quarterly on all non-deployed force elements. Special OPRES reports may also be generated to notify an unexpected change to the preparedness state of a force element.

Underpinning OPRES is a broad regime of evaluations, including assessments carried out during military exercises, competitions, routine tests of achievement and proficiency, and operational, technical and administrative inspections. Whenever possible, external evaluation by members of allied forces is arranged.

In addition, OPRES provides data for two other important functions. Firstly, it assists in the corporate management of resources to ensure the efficient delivery of NZDF outputs, and, secondly, the results of OPRES inform the processes within the Defence Capability Management Framework (CMF) - and other frameworks as applicable.

The NZDF OPRES continues to be refined. Recent improvements include the requirement for the system to be more forward looking (future predictive)\textsuperscript{17} and to more clearly identify the impact of risks involved should the force elements be required to deploy on operations.

Performance Indicators for NZDF Outputs

As noted earlier, Employment Contexts and the military tasks to be performed under each (the Mission Essential Tasks) are the basis against which OLOCs for force elements are set and from which, taking into account Response Time, DLOCs are set. DLOCs for force elements are expressed through the four components of preparedness\textsuperscript{18} (Readiness, Combat Viability, Deployability and Sustainability) that are used as the Key Measurement Areas (KMAs) within OPRES. The OPRES performance measurement framework uses Key Performance Indicators (KPIs) within each KMA for the three Services. Indicative KPIs are summarised in the following table:

\textsuperscript{15} See also “OPRES” under Measurement of the NZDF’s Performance within Section 4

\textsuperscript{16} Using a Performance (“P”) Rating System

\textsuperscript{17} Future predictive - up to five years

\textsuperscript{18} Defined earlier in this Section
### Indicative Key Performance Indicators

<table>
<thead>
<tr>
<th>Key Performance Indicators (1)</th>
<th>Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Readiness</strong></td>
<td></td>
</tr>
<tr>
<td>DLOC Establishment Filled.</td>
<td>% of Unit’s DLOC Establishment that is filled.</td>
</tr>
<tr>
<td>Personnel Continuity.</td>
<td>% of personnel turnover in the last six months.</td>
</tr>
<tr>
<td>Key Personnel Appointments Filled Over Time.</td>
<td>% of key appointments filled by qualified personnel.</td>
</tr>
<tr>
<td>Equipment Serviceability.</td>
<td>% of Unit Establishment platforms/equipments that are serviceable.</td>
</tr>
<tr>
<td>Individual and Unit Level Training Completed.</td>
<td>% of individual/unit Readiness Training Activities (RTA) completed within reporting period</td>
</tr>
<tr>
<td>Mission Critical Platform/Combat System/DLOC Aircraft Availability.</td>
<td>% of programmed operating time in which the ship’s platform/combat systems were available/% of DLOC aircraft available.</td>
</tr>
<tr>
<td>Sufficiency of RTA Equipments, Expendable Stocks and Munitions.</td>
<td>% of stocks and live/practice munitions available for required Readiness Training Activities.</td>
</tr>
<tr>
<td><strong>Combat Viability</strong></td>
<td></td>
</tr>
<tr>
<td>Adequacy of Tactics, Techniques and Procedures.</td>
<td>% mission success and element survivability enabled by tactics, techniques and procedures.</td>
</tr>
<tr>
<td>Collective Proficiency in Employment Context (EC) Tasks.</td>
<td>% of collective/joint/combined exercises covering EC essential tasks completed.</td>
</tr>
<tr>
<td>Standardization.</td>
<td>The degrees of interoperability allowed by the level of standardization (as defined by NATO, ASIC and ABCA) with friendly forces for the EC METs.</td>
</tr>
<tr>
<td>Mission Critical Equipment Operational Viability or Suitability.</td>
<td>% mission success enabled (or restrictions on mission) by technology or equipment performance.</td>
</tr>
<tr>
<td>Equipment Reliability for Mission Critical Systems.</td>
<td>% degradation of EC essential tasks at OLOC operating tempo due to equipment reliability.</td>
</tr>
<tr>
<td><strong>Deployability</strong></td>
<td></td>
</tr>
<tr>
<td>EC Specific OLOC Generation and Contingency Plans.</td>
<td>Plans distributed, reviewed and validated current (annually).</td>
</tr>
<tr>
<td>Critical Equipment Deficiency Correction within Response Time.</td>
<td>% of Critical Deficiencies that can be corrected within Response Time.</td>
</tr>
<tr>
<td>Sufficiency of Deployment Expendable Stocks and Munitions.</td>
<td>% of live/practice munitions and stocks available for OLOC generation and retention, including the Operational Viability Period (OVP)</td>
</tr>
<tr>
<td>Serviceability and Availability of OLOC Generation Equipments.</td>
<td>% of OLOC generation equipments serviceable and available.</td>
</tr>
<tr>
<td>Availability of OLOC Generation Personnel</td>
<td>% of Personnel available for OLOC generation.</td>
</tr>
</tbody>
</table>
**Key Performance Indicators (1)**

<table>
<thead>
<tr>
<th>Sustainability</th>
<th>Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of Replacement Personnel.</td>
<td>% of Service personnel to provide for sustainment.</td>
</tr>
<tr>
<td>Key Equipment Repairability</td>
<td>% of operating time during which Force Element availability is degraded at OLOC operating tempo by repair times.</td>
</tr>
<tr>
<td>Availability of Sustainment Equipment, Stocks and Munitions.</td>
<td>% of sustainment equipment, stocks and munitions available or obtainable within RT + OVP.</td>
</tr>
<tr>
<td>Availability of Replacement Equipment</td>
<td>% of replacement equipment available or obtainable within RT + OVP.</td>
</tr>
<tr>
<td>Materiel Supply Times</td>
<td>% of operating time during which Force Element availability is degraded at OLOC operating tempo by supply times</td>
</tr>
<tr>
<td>Ability to Achieve and Sustain Operating Tempo to Achieve Tactical Objectives</td>
<td>% operating tempo able to sustain throughout duration of deployment (due to aircraft/equipment serviceability and availability).</td>
</tr>
</tbody>
</table>

**Notes:**

1. These KPIs are indicative of the types of measures used. The actual measures used by each of the Services will vary. The Service-specific KPIs and their Performance Rating Scales are detailed in appropriate directives.

2. Service KPIs are used at the lower end (unit level) of OPRES. As in the case of OPRES, the aggregated KPIs, via the “Statement of Service Performance”, are reported externally in the NZDF Annual Report.

**OPRES Performance ("P") Rating System**

Once the measures against the KPIs (as above) have been “scored”, a “P” Rating is given (as an aggregate) to each individual force element for all applicable Employment Contexts. This forms the basis of the NZDF Statement of Service Performance (SSP) as recorded in the *Information Supporting the Estimates of Appropriations (External Sector)* published by The Treasury and tabled in the House of representatives on Budget Day.

The current “P” Rating System is as follows:

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

**Risk Management in the NZDF**

The NZDF believes that effective risk management is part of an organisations behavioural culture. All personnel are aware of risks in their day to day work processes and are able to identify the risks related to the pursuit of opportunities.

The NZDF knows the importance of understanding risks as both threats and opportunities. By managing opportunities well, we will be in a better position to deliver future military capability in support of Government policies.

The NZDF is endeavouring to set a new standard for risk management that will improve and expand its risk management capacity without adding unnecessary process.

**Risk Management Framework**

The NZDF Risk Management Framework (RMF) requires that the organisation demonstrate it is actively managing risk. Our risk management framework provides personnel with the tools to take risk management activity beyond a compliance exercise.

Risk management in the NZDF is:

- part of all governance processes;
- integrated into the development and implementation of any business plan, policy, programme or project;
- actively improving the flow of risk information across the NZDF to ensure we manage risk collaboratively;
- a process requiring risks associated with strategically important activities to be reported by management, within their area of responsibility (Strategic Objective Risk Profile); and
- viewed as an ongoing process with the focus on continual enhancement.

**Strategic Objective Risk Profile**

The Strategic Objective Risk Profile (SORP):

- identifies current and emerging risks to the successful achievement of the NZDF strategic objectives;
- provides an overview of key treatments in place or planned to address unacceptable risks;
- prioritises the risks and identifies the actions required to mitigate these risks; and
• the action planned for each risk to demonstrate effectiveness in reducing the level of risk to match or fall below the risk appetite of the Executive Leadership Team.

Overview of current SORP

The NZDF is exposed to a wide range of risks to the successful achievement of its objectives. Listed below are examples of the significant risks currently facing the NZDF. The organisation may:

• be unable to attract and retain key staff, experiencing loss of institutional knowledge and increased skill gaps;
• not realise full benefits from continuous improvements and transformation initiatives, failing to unlock resources for re-investment in our people and capabilities;
• have insufficient capital funding to support future capability development; and
• experience shortfalls in operating funding due to the impact of inflation on consumables.

Risk Mitigation

Risks to the strategic and operational objectives of the NZDF are mitigated in the first instance by the existing control environment. Internal controls are designed to provide reasonable assurance regarding the achievement of objectives.

Where insufficient control is identified appropriate treatment activity is developed and implemented. These can take the form of Strategic Initiatives, for example:

• Work Force Planning Strategy: provides the overarching guidance for the development, implementation, administration and evaluation of HR strategy planning, policy and practice within the NZDF
• Defence Transformation Programme: developing opportunities to deliver our outputs more efficiently and effectively;
• Capability Management Framework: formalising the structure and processes for the acquisition of major new and replacement military capabilities; and
• NZDF Five-Year Resource Plan: the medium and long term operating and capital requirements of the NZDF to achieve the NZDF’s Strategic Objectives.
Section 7: The Delivery of NZDF Outputs

This section provides a summary of:

- NZDF Output options provided to the Government;

- the generic performance objectives of the NZDF Outputs and Multi-Agency Operations and Tasks (MAO&T) / general support and assistance to the community;

- the impact on NZDF Output Expenses/Outputs of operational deployments, upgrades of equipment and introduction of new equipment into Service / Concurrency; and

- current operational commitments (as at 1 April 2009).

Providing Government with Options in NZDF Outputs

The output specifications in the NZDF Output Plan, and as summarised in this Statement of Intent, provide indicative force element employment options to provide choice to the Government when considering the commitment of NZDF elements to operations. These options relate mainly to the size (quantity) of force elements or parts thereof, and the Response Time, for applicable Employment Contexts. For example, in terms of contributing infantry elements to operations under the Land Combat Forces (Output Expense 7), the Government has the choice of selecting a sub-element, such as an infantry platoon (up to 40 personnel) for low-level tasks at short notice, or larger elements, such as a company group (motorised or non-motorised – up to 260 personnel) for higher-level tasks at longer notice.

While these employment options provide a basis for planning, training and assessment of the NZDF, the requirements of actual operational deployments will vary from these standard options. Every operational deployment is different and will require a different “mix” of factors based on the known requirements at the time. Before forces are committed to operations the NZDF will conduct operation-specific planning in order to provide the government with more detailed advice on employment options, costs and risks. The major factors that will affect government decisions include:

- Variation between the Employment Context planning assumptions and the actual operational situation, such as:
  - National/Political imperatives – Foreign Relations policy
  - Geographic Location.
  - Threat level/s.
  - Military tasks to be performed.
  - Rate of effort required.
  - Friendly Forces / Support.
  - Geography / Demography / Local Infrastructure / Host Nation Support, etc.

- Size of deployed forces.
• Time available to raise force elements/the force to OLOC and to provide task-specific enhancements and training.

• Duration of operational commitment (total length of deployment).

• Level of additional funding required. [Can it be funded from within the current annual appropriated funding for Output Expense 16 (Operationally Deployed Forces) or will additional funding be required? Some reprioritisation of funding within the NZDF may also be required].

• Concurrency requirements considerations for both deployed and non-deployed forces. This includes the ability to deliver essential military capability in the New Zealand/South Pacific area (such as for tasks under EC 1) while the force is deployed, and the need, based on total length of deployment, for raising replacement and rotation forces to OLOC before deployment.

The Government, in considering possible commitment to operations, may well need to apply “trade-offs” between the factors listed above. For example, multiple-force elements are often reliant on the same pool of personnel and equipment for sustainment and rotation purposes; this therefore reduces the length of concurrent deployments that can be sustained.

The total length of deployment poses one of the greater risks for government when considering commitment to operations. Essentially, for the comparatively small forces that the NZDF has, the greater the size of the force to be deployed and the longer the deployment, especially for deployments in excess of 12 months, the greater the risk in the ability of the NZDF being able to sustain that force - in terms of personnel rotations and logistic support. Deployments of greater than 12 months also carry the risks of other DLOC Mission Essential Tasks being eroded if they are not required on the deployment. The NZDF commitment to East Timor (1999 - 2002) provides for a good example in this regard. To reduce the risks the following major decision options, which continue to be used in various forms to this day, were made in that particular instance:

• Army, in all but the initial deployment, used members of the Territorial Force to round out the Regular Force sub-units. Five of the battalion groups deployed contained at least 10% Territorial Force personnel. Territorial Force (TF) personnel, on contract to the Regular Force, are being used more frequently on current-day operational deployments. The TF plays a valuable role in allowing the NZF to meet its operational commitments domestically and internationally.

• Army used artillery force elements in the infantry role. This could not have been achieved if the threat level had required the deployment of artillery elements in their primary role or simply for “protection” of the force. Artillery elements continue to be used in the infantry role from time to time.

• The RNZAF, in line with UN requirements, was able to reduce the number of helicopters deployed from six to four - with a corresponding reduction in crews required - and rotated crews on a three-month basis.

• The Government recognised (and funded) the need for regeneration to DLOC of the battalion groups, post-deployment to Timor Leste.

The mix of factors that go into the government’s and the NZDF’s decision making on options for deployment on operations is complex. It is therefore not realistic to expect the NZDF to detail in this Statement of Intent a detailed matrix of options for every conceivable situation that might lead to the government requiring a military response. However, in the detailed strategic and operational planning that is conducted for likely operational commitments to known situations, the government will be presented with the options. The options presented will detail the known military risks. In general, these risks will revolve around the level of threat (physical and environmental), the length of deployment and the associated ability of the NZDF to sustain the operations in terms of personnel (rotations) and logistic support, and the ability of the NZDF to perform essential concurrent operations in New Zealand and the South Pacific.
Generic Service Performance Objectives of NZDF Outputs

The impact on Defence Outcomes that the NZDF strives to achieve is inherent in the NZDF Vision - “Three Services as one Force, being the best in everything we do”. That is, the impact is to achieve the most appropriate level of operational capability in training for all force elements of the Navy, Army and Air Force - given the funding, personnel and equipment (the resources) available and within a culture of cost-effectiveness.

Thirteen of the NZDF’s Output Expenses involve the training of force elements to the Directed Level of Operational Capability (DLOC). As stated earlier, the NZDF is funded for DLOC by annual departmental appropriations. In addition the NZDF is funded for current (known) operational deployments [forces at the Operational Level of Capability (OLOC)] for Output Expense 16 (Operationally Deployed Forces).


Output Expense 1 ¹⁹

The performance objective of Output Expense 1 is to provide effective advice on military contributions to New Zealand’s foreign policy and military responses to contingencies, including military intelligence, to the satisfaction of the Minister and in accordance with the Cabinet Guidelines for purchasing policy advice. It also includes responses on behalf of the Minister to Ministerial and Parliamentary Questions, Official Information Act Inquiries and Ombudsmen correspondence. It also includes assisting the Ministry of Defence in providing defence policy advice to the Government.

Output Expenses 2 to 5 and 7 to 14 ¹⁹

The performance objective of Output Expenses 2 to 5, 7 to 14 and the military hydrography component of Output Expense 6 is to demonstrate that the force elements concerned (Navy, Army and Air Force force elements) are at the Directed Level of Capability (DLOC) for the relevant Employment Contexts and can respond within the specified Response Time (RT) to provide options to the Government for the employment of military forces to meet contingencies.

Output Expense 6 ¹⁹

The performance objective for that component of Output Expense 6 relating to the hydrographic contract with Land Information New Zealand (LINZ) is to provide the hydrographic survey vessel (HMNZS RESOLUTION), specialist personnel and support infrastructure to conduct hydrographic data collection and processing which meets the contractual commitments to LINZ. Performance will be assessed by LINZ for the contracted hydrographic programme. Standards are also monitored by the wider maritime community against international standards.

¹⁹ See the full list of NZDF Output Expenses at Part 3
Multi-Class Output Appropriation (MCOA) - [Output Expense 15] *(19)*

The performance objectives for the MCOA are to provide training and/or infrastructure, as applicable, to achieve:

- an agreed level of training and assistance to standards agreed with the governments (and armed forces) of Mutual Assistance Programme (MAP) countries;

- an agreed level of staff and training support to meet the objectives of the New Zealand Cadet Forces (NZCF);

- a training programme for Limited Service Volunteers (LSVs) to meet the standards agreed with the Ministry of Social Development (MSD); and

- Service Military Museums (Navy, Army and Air Force) that ensure the preservation and accessibility of New Zealand’s significant military history.

Performance will be assessed from the results achieved and an evaluation of reports from the organisations being supported.

Output Expense 16 *(19)*

The performance objective of Output Expense 16 (Operationally Deployed Forces) is to provide specific forces at the Operational Level of Capability (OLOC) for military tasks. The Government will approve the composition of the forces and the military tasks on which they are to be employed. Prior to deployment the designated Operational Commander will assess performance. During deployed operations, performance will be assessed by the evaluation of reports from coalition/force commanders and reports from the responsible contingent operational commanders for each operation. On occasions the Chief of Defence Force, Vice Chief of Defence Force, Service Chiefs and COMJFNZ, and other senior personnel acting on their behalf, will inspect deployed New Zealand forces to allow them to evaluate performance in an operational environment.

Impact of Operational Deployments, Upgrades and Introduction of New Equipments into Service on Output Expenses/Outputs: Concurrency

The NZDF Output Expense Output Specification tables, for Output Expenses 2 to 14, inclusive, within the *Information Supporting the Estimates of Appropriations for Vote Defence Force* and the *NZDF Output Plan* detail the full capacity of the force elements to undertake tasks against designated Employment Contexts. If the force elements, or parts thereof, of any Output Expense are actually deployed on operations the ability of the NZDF to deploy similar force elements, concurrently, to another operation may be significantly reduced. For example, while the NZDF had a battalion group committed to operations in East Timor, another battalion group could not have been concurrently deployed elsewhere. The limited range of capabilities and the limited quantity of force elements maintained by the NZDF means that there may be only limited capacity to deploy like force elements concurrently.

From the start of FY 2009/2010 (1 July 2009) elements of the NZ Army will continue to be in the restoration mode - given the recent past and current high operational tempo of overseas deployments (Afghanistan, Timor Leste and Solomon Islands). While these elements (those under restoration) will
remain available for further deployment, there are obvious inherent risks. It is now not uncommon for Army personnel who return from an overseas mission to be preparing for another overseas deployment six months later. For many Army force elements this means that training in some Directed Level of Capability (DLOC) tasks that were not required on the previous mission are in danger of being eroded or lost.

The withdrawal of the P-3K Orion and C-130 Hercules aircraft on a rolling programme for upgrading in 2008/09, 2009/10 and beyond, will automatically reduce the full capacity of the force elements that these aircraft belong to. While the minimum number of aircraft required by the NZDF Output Plan for OLOC may be available, the reduced capacity will have an effect on the duration of any operational deployment/s and the ability to rotate any such deployment/s.

Output Expense 3 (Naval Support Forces) and Output Expense 5 (Naval Patrol Forces) will not be at full capacity until such time as the new vessels for the Navy (under Project Protector) are fully introduced into service.

In addition to the foregoing, elements of the following Output Expenses will be involved in operational deployments at the start of FY 2009/2010:

- Output Expenses 7 to 9 (inclusive):
  - Army elements (Company Group) deployed in support of Operation Enduring Freedom, the New Zealand Provincial Reconstruction Team, Bamyan Province, Afghanistan.
  - Army elements (Company Group) deployed in support of the Australian Defence Force-led operations (Combined Joint Task Force 631) in Timor Leste.
  - Army elements (Platoon Group) deployed in support of operations in the Solomon Islands.
  - Predominantly Army elements (Platoon-size) deployed in support of the Multi-national Force and Observers (MFO) in the Sinai, Middle East.

- Output Expense 13. Air Force elements - from time to time, C-130 Hercules aircraft support, including resupply, to current deployed forces.

- Navy and Air Force elements (variable) involved on Multi-Agency Operations and Tasks (MAO&T) in and around New Zealand.

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

Conducting the training activities needed to maintain DLOC for operational employment also produces within the NZDF the capacity to deliver a range of services in support of other government departments/agencies, the community and foreign and defence policy objectives. The NZDF elements available for emergency tasks and a list of indicative support services/tasks are detailed in the

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20 These operational deployments are in addition to the many Multi-Agency Operations and Tasks (MAO&T) that will be performed throughout the year by mainly Navy and Air Force elements from Output Expenses 2 to 5 (inclusive) and Output Expenses 11 to 14 (inclusive).
Supporting Information to the Estimates of Appropriation for Vote Defence Force and the NZDF Output Plan.

Minor adjustments to the number of community support tasks will result in only minor changes to the cost of output delivery. This is because the fixed costs will be unchanged and it will be only the variable costs which are adjusted. However, if the level of community support is increased significantly as a result of a policy decision by the Government, then a much larger increase in output costs could be expected and additional funding may be required.

Operational Commitments

The bulk of the annual appropriations for the NZDF (just over 96%) are provided to prepare the force elements of the Navy, Army and Air Force for operational deployment. That is, the funding is spent on training the force elements to a prescribed level - the Directed Level of Operational Capability (DLOC). However, actual operational deployments (under Output Expense 16 – Operationally Deployed Forces), together with Multi-Agency Operations and Tasks (MAO&T), are the ultimate output delivery to the Government.

The following table provides brief histories of the current New Zealand Government- approved NZDF contributions to operational missions (as at 1 April 2009).

Other than the involvement of the NZDF in current (extant) operations, the likelihood of involvement in future operations is outside of the control of the NZDF. No predictions are made as to the possible type and location of future operations that the New Zealand Government may wish the NZDF to be involved in. However, it is clear that the Government is happy to maintain, generically, the current level of commitment to operational missions.
### Brief Histories of Current New Zealand Government-Approved NZDF Contributions to Operational Missions (as at 1 April 2008)

<table>
<thead>
<tr>
<th>NZDF Operation</th>
<th>Brief History and New Zealand Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation KORU (Timor Leste).</strong>&lt;br&gt;&lt;i&gt;NZDF Contribution.&lt;/i&gt;</td>
<td>The NZDF contributed a battalion group, helicopter detachment, observers and staff officers to Timor Leste under various operations (Operations UNAMET, INTERFET, UNTAET, UNMISSET and UNOTIL) from October 1999. Following the withdrawal of the battalion group and helicopter detachment in November 2002, the NZDF contribution in support of Operation KORU consisted of UN Military Observers (UNMO) and various military advisers (MA). While this contribution continues, the NZ Government authorised the deployment of a Company Group following the riots in Dili in May 2006. This group, operating under the Australian-led Combined Joint Task Force 631, operates in support of the deployed International Police Force and conducts security patrols and check points. On 12 March 2007 Cabinet approved the deployment of a detachment of two Iroquois helicopters to this mission and announced that New Zealand would provide the Deputy Commander (a full Colonel equivalent) to the Timor Leste mission. The helicopter detachment returned to NZ at the end of October 2008. Cabinet approval for commitment to this mission for the remaining personnel currently extends to 31 March 2010.</td>
</tr>
<tr>
<td><strong>Operation SCORIA, UNTSO (Middle East).</strong>&lt;br&gt;&lt;i&gt;Mainly Military Observers.&lt;/i&gt;</td>
<td>The United Nations Truce Supervisory Organisation (UNTSO) was established in 1948 to monitor the Arab-Israeli peace following the proclamation of the state of Israel. New Zealand first committed two officers as observers in 1954 and has gradually increased its commitment to 8 x Military Observers. These observers serve at a variety of locations in Israel, Syria, Lebanon and Egypt. Cabinet approval for this mission extends to 30 September 2010. 21</td>
</tr>
<tr>
<td><strong>Operation FARAD, MFO (Sinai).</strong>&lt;br&gt;&lt;i&gt;Driving, Monitoring, Conducting Courses, and Training Development.&lt;/i&gt;</td>
<td>The Multinational Force and Observers (MFO) is a multi-nation commitment based in the Sinai Peninsula between Egypt and Israel. The MFO upholds conditions set down in the Treaty of Peace signed between Egypt and Israel in 1979. The MFO function is one of observation, reporting, and investigation of Treaty violations. The NZDF commitment commenced in 1982 with a detachment of helicopters. Today, New Zealand’s commitment is the provision of up to 26 military personnel who carry out duties, including driving tasks, driver licensing, monitoring the operation of border guards, conducting convoy courses, and training development. Cabinet approval for commitment to this mission currently extends to 1 April 2010.</td>
</tr>
</tbody>
</table>

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21 In addition, on 20 April 2009, Cabinet approved the one-off deployment of a NZDF Legal Officer (in the rank of Major) to the United Nations Interim Force in Lebanon (UNIFIL) from 1 June to 30 November 2009. The post, to be within the Office of the Force Commander UNIFIL, provides an excellent opportunity to develop core operational law competencies, and highlights New Zealand’s commitment to regional stability and security.
<table>
<thead>
<tr>
<th>NZDF Operation</th>
<th>Brief History and New Zealand Commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation ARIKI.</strong> (This operation covers all of the NZDF support to the international effort against trans-national terrorism).</td>
<td>Operation ENDURING FREEDOM was the United States-led military coalition effort against trans-national terrorism. This is now the International Stabilisation Assistance Force (ISAF)/NATO led. The Coalition has been mandated to prosecute operations against the Al Qaeda network and other terrorist groups in the area. To conduct these operations, headquarters have been established to manage coalition military operations within Afghanistan and elsewhere. The New Zealand contribution to this international effort, under the banner of Operation ARIKI, is divided into the following Task Groups:</td>
</tr>
<tr>
<td>• <strong>Task Group KEA.</strong> Task Group KEA, with Cabinet-approved extension until 30 September 2010, consists of the following deployments:</td>
<td></td>
</tr>
<tr>
<td>- Three NZDF staff officers and one junior NCO provide the NZDF contribution to Headquarters International Security Assistance Force (HQ ISAF) in Kabul, Afghanistan.</td>
<td></td>
</tr>
<tr>
<td>- One NZDF Warrant Officer is deployed in support of our coalition partners in Bagram, Afghanistan.</td>
<td></td>
</tr>
<tr>
<td>Task group KEA has Cabinet approval until 30 September 2010.</td>
<td></td>
</tr>
<tr>
<td>• <strong>Task Group RUA.</strong> Up to two senior NCOs are currently attached to the UK Leadership Training Team - Afghanistan [UKLTT (A)]. Cabinet approval until 30 September 2010.</td>
<td></td>
</tr>
<tr>
<td>• <strong>Task Group SPEAK.</strong> Task Group SPEAK is the NZDF ongoing contribution of two staff officers as the NZ National Liaison Team (NLT) with USCENTCOM in Tampa, Florida, USA. The NZ NLT coordinates the NZDF involvement in Operation ENDURING FREEDOM.</td>
<td></td>
</tr>
<tr>
<td>• <strong>Task Group CRIB.</strong> This is the establishment of a New Zealand Provincial Reconstruction Team (NZ PRT) within Bamyan Province in Afghanistan. Currently up to 140 NZDF personnel are authorised deploy on this mission. Cabinet approval until 30 September 2010.</td>
<td></td>
</tr>
<tr>
<td>• <strong>Task Group TROY.</strong> Up to six NZDF personnel are deployed in the Arabian Gulf area to provide a support mechanism for all elements of the NZDF deployed in the Gulf region / Afghanistan and to assist co-located coalition partners. Cabinet approval until 30 September 2010.</td>
<td></td>
</tr>
<tr>
<td>NZDF Operation</td>
<td>Brief History and New Zealand Commitments</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>Operation ARIKI (continued)</td>
<td>• <strong>Task Group AFFIRM.</strong> In support of the UN Assistance Mission in Afghanistan (UNAMA), Task Group AFFIRM has involved, since January 2005, the deployment of a NZDF officer of lieutenant colonel equivalent rank as a Military Liaison Officer (MLO). The NZDF MLO is the Deputy Chief of Operations at UNAMA HQ based in Kabul. Duties as MLO include the provision of the strategic interface between multi-national forces and Afghan authorities and primary liaison between ISAF and the UN for the security sector reform. Cabinet approval until 30 September 2010.</td>
</tr>
<tr>
<td>Operation HAVEN (Iraq). This operation covers all NZDF support in Iraq under United Nations Council Resolution 1483.</td>
<td>• <strong>Task Group IRON.</strong> Currently the only NZDF contribution in Iraq is in support of the UN Assistance Mission in Iraq (UNAMI). The primary role of UNAMI is to provide advice and assistance related to Iraq’s transitional political process. Task Group IRON has involved the deployment of a NZDF officer as a Military Advisor (MA) since January 2005. The MA is based in Baghdad and provides liaison between UNAMI, the Multi-national Force and Iraqi Security Forces, as well as providing advice on military matters to the UN Special Representative of the Secretary General. Cabinet approval until 31 December 2009.</td>
</tr>
<tr>
<td>Operation RATA II (Solomon Islands). <strong>Troop and Liaison Officer contribution.</strong></td>
<td>During the period July-September 2003 the NZDF deployed personnel to the Solomon Islands in support of the Australian Defence Force-led Combined Task Force 635 to assist the Government of the Solomon Islands to re-establish law and order. A total of 220 NZDF personnel were deployed to the Solomon Islands conducting security, helicopter support and humanitarian aid tasks. New Zealand, in rotation with Pacific Island countries, provided a small force of infantry (up to 50 personnel at a time) on deployment for three months. The NZDF’s last troop contribution, under this arrangement, was for the three-month period February - April 2006. However, following further disturbances in the Solomon Islands in May 2006, the New Zealand Government authorised the deployment, at short notice, of a Company Group to assist in the maintenance of law and order. This group was subsequently downsized to a platoon. NZDF’s commitment is deployed in support of the Participating Police Force (PPF) conducting presence patrols and other tasks. This also included a NZDF officer as Deputy Commander CTF635. Cabinet approval until 30 September 2010.</td>
</tr>
<tr>
<td>NZDF Operation</td>
<td>Brief History and New Zealand Commitments</td>
</tr>
<tr>
<td>-------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Operation MONITOR, UNCMAC (Republic of Korea). <strong>Three officers.</strong></td>
<td>The United Nations Command Military Armistice Commission (UNCMAC) was created to supervise the Armistice Agreement of 1953, and is responsible for supervising the access, operation and security of the Demilitarised Zone in Korea. On invitation from the United Nations Command, the NZ Government, in April 2004, approved the secondment of one officer to the appointment of Assistant Operations Officer, HQ UNCMAC. Subsequently, Cabinet approved the deployment of two additional officers to this mission; one Assistant Operations Corridor Control Officer and Assistant Joint Duty Officer. Cabinet approval until 31 August 2009.</td>
</tr>
<tr>
<td>Operation SUDDEN, UNMIS (Sudan). <strong>Military Observers and a Staff Officer.</strong></td>
<td>Sudan has suffered from two decades of civil war. In March 2005 the UN Security Council (under Resolution 1590) established a UN peacekeeping mission in Southern Sudan. This mission will support the implementation of the Comprehensive Peace Agreement signed between the Government of Sudan and the SPLM/A in Nairobi in January 2005. In response to a request from the UN, New Zealand has committed up to three officers - two Military Observers and one Staff Officer - to this mission from July 2005. Cabinet approval until 1 October 2009.</td>
</tr>
</tbody>
</table>
Section 8: Additional Information
Organisation of the NZDF

NZDF HIGH LEVEL FUNCTIONAL ORGANISATION as at 1 April 2009

- Headquarters NZDF
  - Executive Leadership Team
    - Commander Joint Forces New Zealand
    - Chief of Navy
    - Chief of Army
    - Chief of Air Force
    - Vice Chief of Defence Force
  - Corporate Financial Officer
  - General Manager Organisational Support

- Operational Units
  - Deployed Forces
    - Naval Staff
    - Army General Staff
    - Air Staff
    - Executive Programme Manager to CDF
    - Veterans’ Affairs New Zealand (VANZ)
      - General Manager VANZ / Secretary for War Pensions
  - Personnel
    - *Policy
    - *Civilian HR
    - *NZ Cadet Forces
    - *Chaplain Services
    - *Defence College

- NZDF HIGH LEVEL FUNCTIONAL ORGANISATION
  - OPERATIONAL DELIVERY
  - FORCE PREPARATION
  - STRATEGY & PLANNING
  - ORGANISATIONAL SUPPORT
Personnel Statistics

NZDF personnel statistics, as at 1 April 2009, are shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>Regular</th>
<th>Non Regular</th>
<th>Civilian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ NZDF</td>
<td>284(1)</td>
<td>3(1)</td>
<td>1,059(3)</td>
<td>1,346</td>
</tr>
<tr>
<td>HQ JFNZ</td>
<td>160(2)</td>
<td>1(2)</td>
<td>34</td>
<td>195</td>
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<tr>
<td>Navy</td>
<td>2,077</td>
<td>325</td>
<td>412</td>
<td>2,814</td>
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<tr>
<td>Army</td>
<td>5,040</td>
<td>1,723</td>
<td>742</td>
<td>7,505</td>
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<tr>
<td>Air Force</td>
<td>2,615</td>
<td>194</td>
<td>427</td>
<td>3,236</td>
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<tr>
<td>Totals:</td>
<td>9,732</td>
<td>2,242</td>
<td>2,674</td>
<td>14,648</td>
</tr>
</tbody>
</table>

Notes:
(1) HQ NZDF military personnel (regular and non-regular) are already counted within Service totals.
(2) HQ JFNZ military personnel (regular and non-regular) are already counted within Service totals.
(3) HQ NZDF Civilian total includes Veterans’ Affairs New Zealand, Defence Technology Agency, Joint Logistics Support Organisation, and Locally Employed Civilians (LECs) overseas.
(4) The median length of current Regular Force service is 4.9 years.

Audit and Assessment

The NZDF adheres to the five elements of performance measurement; namely, quantity, quality, timeliness, cost and, where applicable, location. With the exception of NZDF Output Expenses 1, 6, 15 and 16, where conventional measures are used, quantity concerns the force structure itself (i.e. personnel and equipment) which contributes directly to the output by providing operational forces (i.e. Navy ships, Army units and RNZAF aircraft) which can be called on for operational purposes.

Quality, timeliness and location manifest themselves as the preparedness of the force element (actual Level of Capability) as defined within readiness (timeliness and quality), combat viability, deployability, and sustainability (quality) relative to specified Employment Contexts (location).

Audit and assessment of the Defence Force is overseen by:

- the Defence Evaluation Board
- the NZDF Audit and Risk Committee

and undertaken by:

- the Controller and Auditor General
- the Ministry of Defence Evaluation Division
• the NZDF Directorate of Risk and Assurance

• the Inspector General, NZDF

• the Service Chiefs, Commander Joint Forces New Zealand (COMJFBNZ) and Operational Commanders / Component Commanders.

The Controller and Auditor General provides Parliament with independent assurance through the audit of the NZDF Annual Report and occasional audits of aspects of the NZDF’s performance in accordance with the Public Audit Act 2001.

The Secretary of Defence has statutory responsibility for arranging for the assessment and audit of any function, duty or project of the Defence Force. Coordination between the MOD and the NZDF in this area is maintained through the Defence Evaluation Board, which comprises the CDF, the Secretary of Defence and a representative of the Controller and Auditor General. The Defence Evaluation Board approves the evaluation programme of work on behalf of the Minister.

The Ministry of Defence Evaluation Division, while part of the Ministry, performs a statutorily independent function, as set out in the Defence Act 1990. The Evaluation Division carries out assessments and audits of any function, duty or project of the NZDF, under s.24(2) of the Defence Act. In particular, the Ministry of Defence Evaluation Division conducts Output Evaluations which examine NZDF Outputs for consistency with defence policy, and whether the Outputs are being delivered in a quantity and quality that meet policy objectives. The statutory role of the Evaluation Division also includes audits of the Ministry’s activities relating to the procurement of major military equipment.

The NZDF Audit and Risk Committee (ARC) is chaired by the Chief Financial Officer, NZDF. The NZDF ARC is a forum for the consideration, discussion and communication of NZDF risks. It monitors the efficiency and effectiveness of internal control and risk management activity across the NZDF.

The NZDF Directorate of Risk & Assurance provides independent assurance to the CDF, the Service Chiefs and COMJFBNZ that the NZDF has in place effective and efficient systems for the management of risk. The Director Risk and Assurance reports to the CDF and the ARC.

The COMJFBNZ, as Inspector General of the NZDF, provides military capability evaluation through the NZDF Operational Preparedness Reporting System (OPRES). Output performance delivery is evaluated in both quantity (force structure) and quality (preparedness) terms with emphasis on the quality dimension. The Inspector General reports the level of capability of force elements for military tasks as designated within the NZDF Output specifications against the Key Measurement Areas of Preparedness. The three Service Chiefs, the COMJFBNZ and Operational Commanders / Component Commanders are responsible for attaining the activity levels required to achieve their levels of capability and response times; that is, the process measures. Together, the Inspector General/COMJFBNZ and Service Chiefs are responsible for reviewing activity levels and levels of capability to ensure there is a consistent link between the two.

The Inspector General also monitors and evaluates the NZDF OPRES and provides an independent audit function of the OPRES as an evaluative system.

The Service Chiefs, COMJFBNZ, and Operational Commanders / Component Commanders conduct Operational Evaluations of units in accordance with their own programmes.
Section 9

Statement of Intent
2009 - 2012

Veterans’ Affairs
New Zealand
Te Tira Ahu Ika A Whiro
Contents

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Managing in a Changeable Operating Environment

Assessing Organisational Health and Capability

Additional Information
Foreword: Minister of Veterans’ Affairs

Veterans’ Affairs New Zealand plays a vital role in ensuring the health and wellbeing of the veteran community. It provides the link between veterans and the Government; ensuring veterans are better informed and better able to access services.

The majority of the veteran population is ageing and it is important that we recognise their special needs. It is equally important that we recognise the contribution made by modern day veterans and ensure that we learn from the past and ensure that we monitor areas of specific risk and have the right services in place.

In the years ahead, Veterans’ Affairs New Zealand will be working hard to meet the needs of veterans and to focus on improving the delivery of services, with particular emphasis on improving turn around times for War Disablement Pension claims. Veterans’ Affairs New Zealand will make the most efficient use of its resources to ensure that those veterans that need services have access to the services they require.

At the same time, I will be developing new legislation to ensure that we have a legislative framework in place to support an improved level of service delivery.

To better plan for the future needs of veterans, it is vital that Veterans’ Affairs New Zealand has access to accurate and up to date information. To assist them, questions relating to war and emergency service will be included in the next Census.

Veterans’ Affairs New Zealand is making progress in some key areas, such as the move towards total case management and the formation of an expert panel to help better understanding issues relating to veterans’ service-related health and how they can be addressed in the war pensions and veterans’ support systems.

It is essential that the Government listens to veterans and is responsive to their changing needs. I look forward to ongoing dialogue with the veterans’ community on their concerns, their aspirations and what we, as a government, can do better.

Our war veterans have special status in the community. I am committed to ensuring that we honour their contribution to our peace, security, freedom, and democracy.

Hon Judith Collins
Minister of Veterans’ Affairs

27 April 2009
Nature and Scope of Functions

The Veterans’ Affairs portfolio covers the provision of a wide range of government funded services to veterans. The main areas of activity cover:

- The administration, management and processing of a range of statutory entitlements.
- Facilitating the delivery of a range of services to individual veterans and their families, in recognition of the needs generated as a result of their service.
- Providing opportunities for veterans to have their service acknowledged so that they are recognised as special New Zealanders.
- Advising Government on veterans’ issues.

The Role of Veterans’ Affairs New Zealand

Veterans’ Affairs New Zealand’s role in support of government’s outcomes and priorities is to ensure that veterans are able to access the services they need to support them in their everyday lives. Veterans’ Affairs New Zealand achieves this by:

- Providing advice to the Minister of Veterans’ Affairs and other Ministers, as well as departments and agencies on aspects of policy relating to veterans.
- Managing the government’s relationship with veterans and their representative organisations.
- Ensuring that the assessment of veterans’ entitlements is undertaken fairly and accurately.
- Facilitating and co-ordinating the services provided to veterans and their families by other government departments and agencies.
- Facilitating veterans’ access to services within the broader community.
Strategic Direction

Government’s Priorities

The Government’s stated intent underpinning policy related to veterans is ‘Respecting Veterans, Honouring Service’. This is substantiated by the broader principles of:

- Respecting Veterans
- Strengthening Communities
- Dignity for Older New Zealanders

The services provided to veterans support these principles and are focused on respecting the contribution made by veterans and honouring the service that they have given to the community.

Key Priorities

Respecting Vietnam Veterans

- Endorse the MOU as providing the basis for settlements of the Agent Orange issue.
- Provide Vietnam Veterans with free annual comprehensive medical assessments.
- Support the commitment to an ongoing review of international research relating to the effects of exposure to Agent Orange.

Listening to Veterans

- Commit to working with veterans and their representative organisations on matters affecting veterans.
- Ensure VANZ performs.
- Restore questions relating to war service to the census.

Recognising Service

- Support the review of the War Pensions Act 1954.
- Provide a grant to support to the three dedicated Veteran’s Homes.
- Increase the allowance for gallantry decorations.

Outcomes

In order to ensure that government’s expectations for the delivery of services to veterans is met and to support the achievement of the key government priorities; Veterans’ Affairs New Zealand has identified the following outcomes:
Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation.

Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing.

The veterans’ perspective is considered as part of government decision-making on issues that impact on their lives.

The Strategic Environment

The identification of veterans as a specific group within New Zealand society is an acknowledgement of the role veterans have played, and continue to play, in developing New Zealand as a nation.

Services have been provided to the veteran community by a variety of other agencies for a number of years. The delivery of those services has often not been well co-ordinated. In 2008 the decision was made to transfer all War Disablement Pension activity from the Ministry of Social Development to Veterans’ Affairs New Zealand and to place Veterans’ Affairs New Zealand within the New Zealand Defence Force. This strengthens Veterans’ Affairs New Zealand’s relationship with the serving personnel and creates a continuum from serving personnel to veteran. This is consistent with the fact that, in the long term, the care of veterans will be a recruitment and retention issue as the onus shifts from that of societal debt generated in a time of war, to government as an employer, taking responsibility for the impact of its decisions on personnel.

The Global Environment

New Zealand exists within a global environment that shapes the experience of veterans and challenges the way the New Zealand Government and New Zealand society responds to the experiences of veterans.

The role of New Zealand as an international citizen has evolved, and as a consequence, the role the military plays in support of the government’s foreign policy direction has evolved and ranges from warrior to peacemaker and peacekeeper.

Veterans also work globally, comparing experiences and the responses that governments make to those experiences.

The New Zealand Environment

There is no parallel social service framework for the provision of health and social assistance for veterans in New Zealand. The services and entitlements provided to veterans are, in the main, provided through the publicly funded health and disability systems and social assistance framework. It is important that the interface with these services is managed in a way that is responsive to veterans needs.
Operating Intentions

Outcome One
Veterans are acknowledged and recognised for their service and sacrifice and the community is aware of the role veterans have played and continue to play in developing New Zealand as a nation.

What are we seeking to achieve
The key achievements will be that:

- Veterans’ service will be acknowledged.
- The New Zealand Government’s participation in key commemorations will be effectively coordinated.
- Veterans will be able to access support to enable them to participate in the commemoration of significant events related to their service.
- Services Cemeteries will be maintained in a way that recognises the value to New Zealand of the service of the veterans buried there.

How will we demonstrate success in achieving this?
Acknowledgement and recognition of veterans service is an important part of placing value on the service and sacrifice that veterans have made.

- Commemorations co-ordinated by VANZ will meet the intent of the commemoration to acknowledge service and sacrifice.
- Veterans will have the opportunity to participate in the commemoration of significant events related to their service by being able access funding through the Ministers Commemorations Discretionary Fund.
- Communities will acknowledge veterans’ and their will be a greater public awareness of the role played by veterans in the development of our national identity demonstrated through community involvement in the upkeep of Services Cemeteries.

What will we do to achieve this
The management and administration of the commemorations programme which includes:

- The co-ordination of the yearly participation of the Anzac Day commemorations at Gallipoli. This includes, in 2010, the 95th Anniversary of the Gallipoli Landings.
- A review of the cost effectiveness of the expenditure on the commemorations at Gallipoli.
- The co-ordination of veterans’ participation in any government sponsored commemorations.
- The administration of the Ministers Commemorations Discretionary Fund to provide funding to veterans to enable them to attend commemorations of events related to their service.
The provision of veterans' certificates of appreciation.

The review of the five year capital works plan for the maintenance and development of services cemeteries. This will involve a review of the cost effectiveness of the spend on cemeteries and will be undertaken in consultation with local authorities.

**Links to Outputs**

This outcome links to Outputs:

- Policy and Administration
- Services and Payments to Veterans
- Development and Maintenance of Services Cemeteries
- Support for Veterans and their Families
Outcome Two

Working in partnership with the NZDF, the impacts of service on eligible veterans and their dependants are monitored and they have information about and access to services and supports that promote wellbeing.

What are we seeking to achieve

Ensuring that veteran have access to services when they require them is an important part of managing the impact of service on the quality of a veterans life in the long and short term.

The key achievements will be that:

- Service delivery will be proactive and facilitative.
- VANZ will have accurate information about the issues faced by the veteran population to assist with planning of required services and supports.
- The provision of accurate information to veterans ensuring that veterans know what they are entitled to and have a clear understanding of the processes involved in accessing support and assistance.

How will we demonstrate success in achieving this?

Veterans’ needs will be assessed so that services and supports they need at various stages of their lives can be put in place.

Entitlements will be co-ordinated by VANZ to ensure they are delivered as a seamless service across all agencies involved.

Veterans and their families will be involved in planning; monitoring and evaluating any programme put in place for them and will feel empowered and be able to take responsibility for managing the issue impacting on their quality of life.

Veterans’ Affairs New Zealand will have effective partnerships with the service providers that provide services and support to veterans in the community.

What will we do to achieve this?

Streamline current service delivery to ensure that service delivery is responsive to the needs of veterans. This includes:

- Establishing effective systems to monitor the effectiveness and efficiency of service delivery.
- Establishing training to ensure that staff have comprehensive knowledge of the services and supports available to veterans and their families so that all available services can be maximised for the benefit of the veteran and the veteran’s family.
- Ensuring that the primary level decision making is clear and consistent and that veterans understand processes and how they apply to them.
• Establish registration databases for various veteran cohorts to allow for the monitoring of the ongoing health and wellbeing.

• Ensuring that services are provided in a cost effective way.

Review the information provided to veterans, and the way that information is provided, to ensure that the communication mechanisms used are appropriate and reach all veterans. This includes:

• Improving the quality of the information provided in existing publications, developing new publications on specific issues, regularly reviewing material to make sure it remains relevant.

• Seeking alternative ways to disseminate information.

• Providing information and training to, and working with, veterans’ groups and community agencies to raise awareness of the services available to support veterans who live in the community.

Implementation of the programme of free annual medical checks for Vietnam veterans.

Working with the Expert Panel on Veterans Health to:

• Ensure that international research relating to the impacts of service on the health of veterans is taken into account in primary level decision making.

• Establishment of a centre excellence that provides access to information and expertise in issues relating to the health and care of veterans. The purpose of the centre excellence will be to provide access to this information for groups within the community who deal with veterans care but who do not have access to specific expertise in this field.

Links to Outputs

This outcome links to Outputs:

• Policy and Administration

• Services and Payments to Veterans

• Support for Veterans and their Families
Outcome Three

The veterans’ perspective is considered as part of government decision-making on issues that impact on their lives.

What are we seeking to achieve

Government has recognised veterans as a special group of New Zealanders and provides a range of veteran specific services. It is important to ensure that there is effective information available to provide quality advice on veterans’ issues.

The key achievements will be:

• VANZ will have in-depth information about specific issues available to support decision-making, policy development and service delivery.

• VANZ will have an awareness of, and an ability to respond to, the issues impacting on the Veteran community.

How will we demonstrate success in achieving this?

VANZ will have the operational capability to provide quality advice.

VANZ will have effective working relationships and communication with stakeholders.

VANZ will collaborate with other agencies and agencies involved in the provision of policy and service delivery issues that impact on the veteran community to build effective working relationship to ensure VANZ is consulted over issues that have the potential to impact on the veteran community.

VANZ will have effective working relationships with international administrations with responsibility for the provision of services to veterans so that they are able to access necessary information.

What will we do to achieve this?

Review the current information that is collected about the veteran population and the way that information is collected and managed. This includes:

• Monitoring key indicators that will assist with the development of a profile of the veteran community.

• Restoring questions relating to war service to the census.

Host veterans’ administrations Ministerial Forum and Senior International Forum. This provides an opportunity at both Ministerial and senior officials level to discuss issues of interest to all veterans’ administrations.

Links to Outputs

This outcome links to Outputs:

• Policy and Administration
Managing in a Changeable Operating Environment

The Veteran Community

The term veteran has, in the public eye, come to mean a veteran of a specific conflict or location. The changing nature of deployments means that the term veteran is now becoming a generic descriptor for someone who has service in the armed forces in a variety of operational environments.

The veteran population ranges in age from 19 year old veterans of current deployments, to the remaining World War Two veterans who range in age from early 80’s to 100 plus. The World War two population still make up the majority of the veteran community.

Given the age profile of the veteran community this demographic is changing. The number of veterans will naturally decline in future. It is expected that the rate of this decline will be reasonably gradual for the next 3 to 5 years, after which the number of veterans will reduce more quickly. This significant change in the veteran demographic will mean that the largest group of veterans will be those that have taken part in the deployments that have taken place within the last 10 years.

The types of deployments that New Zealand Service personnel have been involved in have changed since World War Two. The most significant change is the fact that there have been no deployments of an entire generation, as was the case in the World Wars. The deployments that have taken place have been of individuals within each generation who have made a conscious choice of the military as a career.

The duration of deployments has also changed. Service personnel are not deployed for years to one conflict, as was the case with the World Wars. Over the course of their military careers, Service personnel may be deployed for short tours of duty to different war and emergency situations. The experience of younger veterans is of a number of deployments to different locations for a variety of different reasons.

Health & Wellbeing

Health and wellbeing is a critical issue for the veteran population. As all the long term impacts of deployments are unknown, veterans have ongoing concerns about the long term impact of their service on their health and the health and wellbeing of their families.

Veterans of different wars and emergencies face different barriers to their and health wellbeing. The changing face of deployments has meant that the psychological effects and environmental impacts of deployments often have a greater impact on health and wellbeing than physical injuries.
Assessing Organisational Health and Capability

Veterans’ Affairs New Zealand is branch of the New Zealand Defence Force. The General Manager, Veterans’ Affairs reports directly to the Chief of Defence Force.

The staff of Veterans’ Affairs New Zealand are members of the civil staff of the New Zealand Defence Force and are subject to the policies of the New Zealand Defence Force.

Capability

The environment in which Veterans’ Affairs New Zealand operates as an organisation requires the capability to work on both current and historic issues across the interface of the political environment, public service and veteran community.

The following organisational capabilities that Veterans’ Affairs New Zealand is seeking to develop and strengthen are premised on the need for Veterans’ Affairs New Zealand, as an organisation, to be able to react to all circumstances - the predictable and unpredictable:

- The capability to critically analyse issues in context, identify the level of risk and take a pragmatic approach to proposing solutions.
- The analytical capability to establish cause as well as to generate a solution so that risk is minimized and future practice is informed.
- Knowledge of the legislation and regulatory components and policy expectations of the environment in which Veterans’ Affairs New Zealand operates.
- The capability to build constructive relationships with the groups impacting on Veterans’ Affairs New Zealand’s role, while understanding the boundary issues inherent in those relationships and the consequences of crossing those boundaries.
- The capability of working across the whole organisation so that the organisational impact of decision-making is considered.

Risk Management

The key risks, which could prevent Veterans’ Affairs New Zealand achieving its mission, and strategies to manage them, are outlined below.

<table>
<thead>
<tr>
<th>Key Risks</th>
<th>Risk Management Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service documents, personnel and medical, held by the New Zealand Defence Force are destroyed.</td>
<td>Veterans’ Affairs New Zealand will work with the New Zealand Defence Force to ensure that the files are adequately protected and that a system for establishing electronic copies of the files is put in place.</td>
</tr>
<tr>
<td>War Pension files are lost or destroyed.</td>
<td>Veterans’ Affairs New Zealand is looking at systems for establishing electronic copies of the files is put in place.</td>
</tr>
</tbody>
</table>
**Organisational Health**

As a branch of the New Zealand Defence Force, Veterans' Affairs New Zealand is subject to the policies put in place for the civil staff within the New Zealand Defence Force.

**Equal Employment Opportunities**

As a branch of the New Zealand Defence Force, Veterans' Affairs New Zealand is subject to the policies put in place for the civil staff within the New Zealand Defence Force.

**Information Technology Systems**

The New Zealand Defence Force provides information technology support for Veterans' Affairs New Zealand. Veterans' Affairs New Zealand uses the New Zealand Defence Force corporate systems.

**Departmental Capital and Asset Management Intentions**

The capital and asset management strategies are managed as part of the overall strategy of the New Zealand Defence Force.
Additional Information

Accountability Arrangements

The Chief of Defence Force, as ‘Chief Executive’ of the New Zealand Defence Force, is responsible to the Minister of Veterans’ Affairs for the financial management of Veterans’ Affairs New Zealand under the Public Finance Act 1989 (as amended by the Public Finance Amendment Act 2004). The General Manager, Veterans’ Affairs New Zealand, on behalf of the Chief of Defence Force, is responsible to the Minister of Veterans’ Affairs for the delivery of the Veterans’ Affairs New Zealand outcomes and outputs.

As Veterans’ Affairs New Zealand is a semi autonomous body within the New Zealand Defence Force, and as the New Zealand Defence Force is not a Department of the Public Service under the First Schedule of the State Sector Act 1988, Veterans’ Affairs New Zealand does not come under the auspices of the State Sector Act 1988. Veterans’ Affairs New Zealand is not, therefore, subject to the accountability and monitoring frameworks and processes under the State Sector Act 1988.

The New Zealand Defence Force is, however, subject to the provisions of the Public Finance Act 1989 (as amended by the Public Finance Amendment Act 2004) and Veterans’ Affairs New Zealand is subject to the accountability and monitoring frameworks under that Act.

Statutory Appointment of the Secretary for War Pensions

Section 4 of the War Pensions Act 1954 allows for the appointment, under Section 61A of the Defence Act 1990, of a Secretary for War Pensions. The Secretary for War Pensions has statutory responsibility for the Administration of the War Pensions Act 1954.

Statutory Independence of the Chief of Defence Force

Section 8 of the Defence Act 1990 gives the CDF sole responsibility for:

Command of the Navy, Army and Air Force through the respective Service Chiefs; and

Command of any joint force, either directly or through a joint force commander.

Consequently, nothing in this Statement of Intent shall affect the statutory independence of the Chief of Defence Force from Ministerial direction with regard to:

The issue and promulgation of Defence Force Orders (DFOs);

All aspects of military discipline;

The appointment or enlistment of members of the Armed Forces and the appointment of civil staff of the Defence Force;

The terms and conditions of service for members of the Armed Forces, and the conditions of employment of civil staff of the Defence Force; and

The establishment and functions of the Chiefs of Staff Committee.
Abbreviations

ABCA American, British, Canadian, Australian Armies' Programme
ACR Army Configuration Review
AE Aeromedical Evacuation
ASIC Air and Space Interoperability Council
ATP Army Transformation Programme
AUSCANNZUKUS Australia, Canada, New Zealand, United Kingdom, United States agreement Naval Command, Control and Communication Board
CA Chief of Army
CAF Chief of Air Force
CBRE IEDD/EOD Chemical, Biological, Radiological, Explosive, Improvised Explosive Device Disposal / Explosive Ordinance Disposal
CDF Chief of Defence Force
CCEB Combined Communications-Electronics Board
CMF Capability Management Framework
CN Chief of Navy
COMJFNZ Commander Joint Forces New Zealand
CONPLAN/s Contingency Plan/s
DCARR Defence Capability and Resourcing Review
DOC Department of Conservation
DPF Defence Planning Framework
DSI Defence Sustainability Initiative
DTP Defence Transformation Programme
EC/s Employment Context/s
EEZ Exclusive Economic Zone
EOD Explosive Ordnance Disposal
FPDA Five Power Defence Arrangements
HMNZS Her Majesty’s New Zealand Ship
HQ JFNZ Headquarters Joint Forces New Zealand
IEED Improvised Explosive Device Disposal
IPV/s Inshore Patrol Vessel/s
JMETL/s Joint Mission Essential Task List/s
KMA/s Key Measurement Area/s
KPI/s Key Performance Indicator/s
LINZ Land Information New Zealand
LOC Level of Capability:
  BLOC Basic Level of Capability
  DLOC Directed Level of Capability
  OLOC Operational Level of Capability
  NLOC No Level of Capability
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tbody>
<tr>
<td>LOV</td>
<td>Light Operational Vehicle</td>
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<tr>
<td>LSV</td>
<td>Limited Service Volunteer</td>
</tr>
<tr>
<td>LTDP</td>
<td>Long-Term Development Plan</td>
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<tr>
<td>MAO&amp;T</td>
<td>Multi-Agency Operations and Tasks</td>
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<td>MCM</td>
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<td>MCOA</td>
<td>Multi-Class Output Appropriation</td>
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<td>MET/s</td>
<td>Mission Essential Task/s</td>
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<td>METL/s</td>
<td>Mission Essential Task List/s</td>
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<td>MFAT</td>
<td>Ministry of Foreign Affairs and Trade</td>
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<td>MoD</td>
<td>Ministry of Defence</td>
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<tr>
<td>MRV</td>
<td>Multi-Role Vessel</td>
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<td>MSD</td>
<td>Ministry of Social Development</td>
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<td>NATO Standardisation Agency</td>
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<tr>
<td>NRCC</td>
<td>National Rescue Coordination Centre</td>
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<td>NZCF</td>
<td>New Zealand Cadet Forces</td>
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<td>New Zealand Defence Force</td>
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<td>Overseas Development Aid</td>
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<td>Offshore Patrol Vessel/s</td>
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<td>Operational Preparedness Reporting System</td>
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<td>Pacific Area Senior Officers Logistic Seminar</td>
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<td>RF</td>
<td>Regular Force</td>
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<td>RNZN</td>
<td>Royal New Zealand Navy</td>
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<td>SAS</td>
<td>Special Air Service</td>
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<td>TF</td>
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