

Statement of Intent 2011 - 2014

New Zealand Defence Force Te Ope Kātua o Aotearoa

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Foreword: Minister of Defence

The 2011 - 2014 Statement of Intent of the New Zealand Defence Force (NZDF) marks a new era for Defence in New Zealand. It reflects the first White Paper for more than a decade. It also comes at a time when the NZDF has been exceptionally busy both at home and offshore.

The NZDF has been heavily involved in helping the people of Canterbury following the major earthquakes. The men and women of the three services were on the ground within minutes. They helped rescue people, and fed, housed and transported victims and rescuers alike. They had the people, the training, the communications and the equipment to be a major part of the rescue and recovery efforts. Their performance was outstanding.

This effort is just the latest in a range of humanitarian efforts over the last year in both New Zealand and the South Pacific. All these individual operations were in addition to our ongoing global commitments. At present, Defence Force personnel are proudly representing us in Timor-Leste, the Middle East, Sinai, Iraq, the Solomon Islands, Korea, Sudan and Afghanistan. We suffered our first casualties in Afghanistan during the last year. This serves as a timely reminder that defence comes at a price.

The Defence White Paper has set the blueprint for the NZDF for the next 25 years. It recognises that the NZDF is a highly skilled and professional organisation. It shapes the NZDF for the future. The White Paper set out what the Defence Force is expected to do, and the capabilities it needs to do it.

The White Paper confirmed that New Zealand's focus for defence is the South Pacific region. It described how the NZDF is essential in contributing to regional and global security through the maintenance of stable relationships. To achieve this, the NZDF needs to be prepared for many contingencies. These range from humanitarian and disaster relief, through state stability and security operations, to combat operations. New Zealand needs to be able to operate alone. It also needs to operate seamlessly with Australia, and with our friends and allies.

The White Paper also identified how the NZDF can meet its front end requirements by moving resources from the back and middle. It sets out organisational changes that will help build the 'three services – one force' concept. There is a long term capability pathway that allows the retention and replacement of our most important capabilities. These include maritime surveillance, enhanced special forces, strategic air transport and naval combat.

By international standards, the NZDF is small. In the field our servicemen and women are ably led, well trained, well equipped, and highly valued by our partners. This was reinforced when the Prime Minister visited our troops in Afghanistan in May last year. They are doing a great job, helping the local communities, protecting the Afghan people, and restoring security to the region.

The camaraderie, commitment and courage displayed by our personnel are a source of national pride. These qualities are found throughout the NZDF, no matter where they are. At the end of the day, our people matter most of all.

My main priority over the period ahead is the implementation of the White Paper. This will provide the long term sustainable future that we need.



Hon Dr Wayne Mapp
Minister of Defence

Introduction: Chief of Defence Force

This Statement of Intent outlines how the New Zealand Defence Force will contribute to the Government's outcomes and priorities over the next three years.

The Defence White Paper, launched in November 2010, sets our direction. It balances the Government's policy objectives with New Zealand's strategic outlook and the financial realities our country faces. The White Paper predicts that the next 25 years are likely to be more uncertain than the 25 years just past. New Zealand can expect growing pressures on its resources, and growing security stresses in our region, the Pacific. Through the White Paper, the Government has recognised that the Defence Force is a national asset, being the only agency of state that operates large and integrated fleets of vehicles, ships, and aircraft; as well as maintaining disciplined forces available at short notice to respond to crisis – such as the responses provided to the Canterbury earthquake in September of last year and the Christchurch earthquake in February of this year.

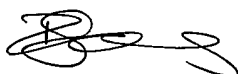
As a consequence, the White Paper, firstly, prioritises preserving the capabilities we have today, and, secondly, creates a blueprint for enhancing them over time. Emphasis has been placed on enhancing the Defence Force's ability to sustain land operations. Over the medium term our sea and air transport capabilities will also be maintained and improved. Expanded intelligence, surveillance, and reconnaissance capabilities, is another focus.

While these new and enhanced capabilities are exciting opportunities to be better prepared for the security challenges of this century, to realise these gains the Defence Force is being challenged to change the way we deliver many of our support functions. The White Paper has identified opportunities to shift resources from the Defence Force's direct and indirect support functions to our deployable front-end capabilities. By 2014/15, the Defence Force has been set the goal of redistributing some \$350 million - \$400 million annually.

As Chief of Defence Force I have responded by introducing a Reform Campaign. This campaign is all about the changes we need to implement over the next five years to deliver the Defence Force of the future. Among key reforms that will follow are:

- reducing costs in critical areas like logistics, human resources, and training and education;
- the optimisation of our infrastructure, including Information and Communication Technology (ICT);
- a move to a 'Total Defence Workforce' approach – improving the ratio between our deployable and non-deployable personnel; making sure that we have the right balance between full-time and part-time military personnel, and between uniformed personnel and civilians; and
- the strengthening of corporate management within the Headquarters with a focus on innovation and continuous improvement.

These are some of the mechanics of the Reform Campaign. But at its heart must also be a cultural shift across the Defence Force, especially within the Headquarters. This will be about transplanting the excellence demonstrated by our people on military operations – their agility, innovation, and focus on results – to the rest of the Defence Force. It also recognises that our unique military approach to command and leadership is a strength and an asset to be levered off. A first step has been the creation of a new Defence Force Strategic Plan, and, just as on operations, commanders and their subordinate commanders are being given responsibility for finding solutions and delivering results. Importantly too, I will be holding them accountable for achieving the goals we have set ourselves.

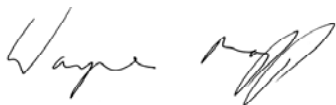


R.R. Jones
Lieutenant General
Chief of Defence Force

Statements of Responsibility

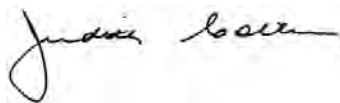
Ministerial Statement of Responsibility

We are satisfied that the information on future operating intentions provided by our respective departments in this *Statement of Intent* and the *Information Supporting the Estimates* 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

21 April 2011




Hon Judith Collins
Minister of Veterans' Affairs

21 April 2011

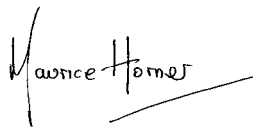
Chief of Defence Force Statement of Responsibility

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 (2011/12 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.



R.R. Jones
Lieutenant General
Chief of Defence Force
New Zealand Defence Force

21 April 2011



M. Horner
Chief Financial Officer
New Zealand Defence Force
Counter-signed

21 April 2011

Section 1: Nature and Scope of New Zealand Defence Force Functions

This section outlines the purpose of the New Zealand Defence Force (NZDF) and the scope of its operations.

Purpose

The prime reasons for maintaining a defence force remain securing New Zealand against external threats, protecting our sovereign interests, and being able to take action to meet likely contingencies in our strategic area of interest.

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 key 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.

Scope

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. The NZDF also undertakes or supports a range of tasks, including maritime resource protection, humanitarian assistance and disaster relief, and search and rescue, as part of a whole-of-government effort directed by civil authorities.

The NZDF is part of the External Sector, which is administered by four departments – the NZDF, the Ministry of Defence, the Ministry of Foreign Affairs and Trade, and the New Zealand Customs Service. These departments are collectively responsible for managing most of New Zealand's official relationships with the rest of the world and protecting its security beyond the border.

The NZDF is administered through 16 output expenses under Vote Defence Force. Thirteen output expenses are directly involved in the preparation and training of navy, land and air force elements. These activities also provide the capacity to provide support to government agencies and the community, e.g. border protection and search and rescue. In addition, the NZDF is funded for current operational deployments, miscellaneous support activities (including the Defence Mutual Aid Programme and Support to Youth Development), and military policy development, coordination and advice. Veterans' Affairs New Zealand, while a part of the NZDF, is administered through its own Vote.

NZDF and Joint Force Headquarters based in Wellington provide strategic, corporate and operational support to the main operational units based in Auckland, Linton, Ohakea, and Burnham.

Contribution to Outcomes

Government's Key Goals

The NZDF will contribute to two key Government goals over the term of this Statement of Intent. These goals are to:

- lift the long-term performance of the economy so as to make New Zealand a more prosperous country, capable of providing well-paid jobs, a better standard of living, and a world-class public service; and
- make significant social sector reforms so as to provide more quality services at less cost and to better equip New Zealanders, particularly young New Zealanders, to face the significant economic challenges of an increasingly competitive world.¹

Government's National Security Interests

The NZDF contributes to these goals by acting in a lead or supporting role, to achieve:

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

The NZDF also focuses on the key priorities agreed between the Prime Minister and the Minister of Defence. These priorities for 2011/12 are as follows:

- Shifting Resources to the Frontline.
- Organisational Reform.
- Current Acquisition Projects.
- International Commitments.
- Capability Development.

These priorities are covered in more detail in Section 4: Operating Intentions.

Defence Outcomes

The Government's *Security Interests* 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 *Security Interests*. The Ministry of Defence (MoD), Ministry of Foreign Affairs and Trade (MFAT), NZ Customs Service, NZ Police and other departments and agencies also contribute to these interests.

In contributing to these interests, the NZDF has a *main outcome* and four *intermediate outcomes*:

- **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.*

¹ Prime Minister, the Rt. Hon. John Key, Statements to Parliament 9 February 2010 and 8 February 2011

- *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 New Zealand's defence policy 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 (and prosperity) of the nation. New Zealand must trade to survive. It needs stable partners with growing economies. New Zealand must therefore have unfettered access throughout the Asia-Pacific region to go about its business. Instability, conflict and war, even far from New Zealand's shores, can therefore directly affect New Zealand's social and economic well-being.

The vision underlying the main outcome is for the defence and security sector to be able to 'ensure positive defence and security for New Zealand and New Zealanders.' As should be expected, it is also compatible with the main outcomes of the MoD and MFAT.

Because the main outcome is so broad, a number of subsidiary or intermediate outcomes for the NZDF have been developed.

The *Intermediate Outcomes* (see these at Section 4 under *Operating Intentions*) are also compatible with New Zealand's security interests. They are focused on subordinate results that, if achieved, influence materially and directly the achievement of the *Main Outcome*.²

Defence White Paper 2010

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

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

In contributing to the *Government's Security Interests* and the *Defence Outcomes*, the NZDF is expected to conduct the following *Principal Tasks*, as identified in the recent White Paper, over the next 25 years:

- to defend New Zealand's sovereignty;
- to discharge our obligations as an ally of Australia;
- to contribute to and, where necessary, lead peace and security operations in the South Pacific;

²Once a comprehensive national security framework and a set of measurable security outcomes have been developed, it is likely the Defence outcomes will be reviewed. See Section 4 on operating intentions.

- to make a credible contribution in support of peace and security in the Asia-Pacific region;
- to protect New Zealand's wider interests by contributing to international peace and security, and the international rule of law;
- to contribute to whole-of-government efforts at home and abroad in resource protection, disaster relief, and humanitarian assistance;
- to participate in whole-of-government efforts to monitor the international strategic environment; and
- to be prepared to respond to sudden shifts and other disjunctions in the strategic direction.

The order of these tasks reflects the extent to which the Government has choice over any deployment of the NZDF.

NZDF Outputs

To support the *Defence Outcomes* and *Principal Tasks*, the NZDF has 37 Outputs within 16 Output Expenses/Classes. Thirteen of the Output Expenses relate to the military capabilities provided by the Navy, Army and Air Force. (To recognise the enhanced capabilities of the upgraded Orion fleet, the Maritime Patrol Forces has been renamed the Airborne Surveillance and Response Forces.)

The other three Output Expenses relate to: military policy development, coordination and advice, miscellaneous support activities (Mutual Assistance Programme, support to NZ Cadet Forces, Service Museums, and support to government-initiated Youth Development Programmes) and Operationally Deployed Forces.

The current set of NZDF Outputs is summarised within Section 4 of this Statement of Intent, and detailed in the *2011 Information Supporting the Estimates of Appropriations*.

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

Conducting the training activities needed for operational deployments 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. Exceptions to this are the Inshore Patrol Force, whose primary purpose is to deliver patrol tasks to meet civilian requirements, and the Chemical, Biological, Radiological, Explosive, and Improvised Explosive Device Disposal Forces who provide dedicated support to the NZ Police for explosives incidents and emergencies, when requested. A list of indicative support provided to the Government, community, MAO&T, and emergency tasks is detailed in the *2011 Information Supporting the Estimates of Appropriations*.

Defence Planning

As part of the Defence planning framework, the NZDF uses planning systems to support the achievement of Defence outcomes and the delivery of NZDF outputs and services, and to remain effective and efficient in management. The planning framework provides the overarching guidance that aligns all planning with defence policy, corporate goals and strategies. More detail on the Defence planning framework is provided in section 6 on managing in a changeable operating environment.

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 the Government’s security interests 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 community. For example, NZDF contributions to the New Zealand community include the following:

- The NZDF provides 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 and supports initiatives that enhance the capacity of young New Zealanders. The NZDF has arrangements with the Ministry of Social Development (both Work and Income New Zealand and Child, Youth and Family), the Ministry of Education, the Tertiary Education Commission, and the ‘Blue Light’ scheme to deliver a range of youth and social intervention programmes. These specialist services are managed by Youth Development Units responsible for delivering the Limited Service Volunteer and the Youth Life Skills schemes, and are well regarded.
- The NZDF respects the contribution made by veterans and honours the service they have given to the community. (See also Section 8 on Veterans’ Affairs New Zealand.)
- 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, the Ministry of Fisheries, the Ministry of Emergency Management, Civil Defence, and so on, all aimed at *keeping New Zealanders safe/secure and promoting safer communities*. More details on these relationships, including *shared outcomes*, are included within Section 4 of this Statement of Intent.
- The NZDF promotes *fitness and better health*.

While these links are important to the NZDF and to the community, they arise as by-products of being a disciplined *Defence Force* per se.

Section 2: The Strategic Environment

This section outlines the external environment within 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

As the Defence White Paper 2010 makes clear, New Zealand does not face any foreseeable conventional military threat. However, non-conventional global and regional security challenges carry implications for New Zealand and our national security interests. These challenges include: the threat of cyber-attack, terrorism; intra and even inter-state armed conflict; global criminal networks; nuclear proliferation; problems arising from weak governments in our region and beyond; and natural disasters and competition for maritime resources in the South Pacific.

NZDF personnel are actively involved in both overseas missions and supporting whole of Government efforts domestically, including search and rescue, providing assistance to Police, explosive ordnance disposal, and assisting with rural fire fighting. NZDF Personnel are also active in operations in our immediate region, such as patrolling the Exclusive Economic Zone, the Southern Ocean and our Pacific neighbourhood.

Pressures on the international community to intervene to restore stability within or between countries remain. Currently, there are some 120,000 personnel deployed on UN peacekeeping operations. New Zealand continues to be asked to contribute to these peace support missions. At the time of writing, the NZDF has more than 400 personnel deployed on operations in twelve countries, including contributions to five UN-led missions. This number increases to approximately 750 if participation in overseas training exercises, deployments, and diplomacy are included. We also maintain a timely response capability in our own region.

The South Pacific is a key focus for the NZDF, and provides the starting point for choosing our military capabilities. Transnational problems are placing additional stress on countries already facing pressing political, economic and social problems. These are likely to be exacerbated by the global economic downturn. The challenge for the NZDF is to maintain mobile, responsive forces that can effectively and speedily respond to calls for help from the region, as we did following riots in Tonga in 2006 and after a tsunami in Samoa in 2009. The ongoing NZDF commitment to the Regional Assistance Mission to Solomon Islands (RAMSI) is an important contribution to stability in the South Pacific. New Zealand's influence in the South Pacific is enhanced by strong effective partnerships especially with Australia but also with other nations such as France, and with our Pacific neighbours.

The New Zealand Government continues to provide support to Timor-Leste, in conjunction with the Australian-led International Security Force (ISF), and the United Nations Interim Mission to Timor-Leste (UNMIT). The NZDF is focused on supporting security and stability in this young nation to allow it to develop key government institutions.

Further afield, New Zealand's commitment to international efforts to promote security, good governance and development in Afghanistan (ongoing since 2001) will continue. In support of the NATO-led International Security Assistance Force (ISAF), the NZDF currently leads the Bamyán Provincial Reconstruction Team (PRT), provides a Special Forces (NZSAS) contingent and staff to ISAF HQ, assists in training the Afghan National Army, and contributes to the United Nations Assistance Mission to Afghanistan (UNAMA). These commitments reflect New Zealand's resolve to stand firm against the scourge of international terrorism.

New Zealand's closest strategic partnership is with Australia. We have a long tradition of a close defence relationship and of working together in pursuit of shared strategic interests. Our response to many of the challenges we face will most often be in concert with Australia. We are continuing to work closely with Australia to give the relationship greater contemporary relevance. Building on our joint security and stabilisation activities, a Pacific-focused ANZAC Ready Response Force is now in place. This force will respond to short-notice security events, including stabilisation operations, humanitarian assistance, and disaster relief.

New Zealand's relations with other traditional defence partners such as the United States, the United Kingdom, and Canada continue to be very important and we work together in a range of operational contexts, most notably in Afghanistan. These defence relationships are important in themselves, but also underpin a range of broader foreign and security policy interests as demonstrated by, for example, the US/ New Zealand Wellington Declaration.

New Zealand's historical economic and security links, that have contributed to stability in Southeast Asia for decades, will continue. As it enters its fortieth anniversary year, the NZDF is committed to an active role in the Five Power Defence Arrangements (FPDA) with Australia, Malaysia, Singapore and the United Kingdom, and to participating in FPDA activities that build capacity to meet non-conventional security challenges.

New Zealand's record of commitment to security in Asia-Pacific has led to our membership of a new and significant development in the regional security architecture, the ASEAN Defence Ministers Meeting Plus 8 (ADMM+). The NZDF will play an important role with the Philippines in co-chairing the ADMM+ experts' working group on peacekeeping.

The NZDF continues to be active in the ASEAN Regional Forum (ARF) 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 ARF countries in areas such as disaster relief and humanitarian response coordination, and in maritime security.

At the bilateral level in Southeast Asia, New Zealand and the NZDF continue to maintain strong relationships with Malaysia and Singapore. Closer links are being developed with Indonesia, Timor Leste, Viet Nam and Thailand.

New Zealand's defence relations with China, Japan and Korea, enhanced through regular defence contact and dialogue, will continue to develop. These relationships are important to New Zealand. The continuing economic and political stability of North Asia is of enduring importance and our trade with the region continues to expand. The ongoing NZDF contribution to the United Nations Command Military Armistice Commission (UNCMAC) in the Republic of Korea underlines the Government's commitment to both the United Nations and to the stability of the Korean Peninsula.

Employment Contexts (ECs)

Defence policy guidance provides information on the circumstances in which the Government may choose to use military forces. Although situations and requests need to be carefully weighed, it is likely New Zealand would consider the use of military force in the following circumstances:

- in response to a direct threat to New Zealand and its territories;
- in response to a direct threat to Australia;
- as part of collective action in support of a member of the Pacific Islands Forum facing a direct threat;
- as part of New Zealand's contribution to the FPDA; or
- if requested or mandated by the UN, especially in support of peace and security in the Asia-Pacific region.

The process of assessing the performance of the NZDF outputs starts with the Government's key priorities and statement of security interests, and further articulated with defence outcomes and strategy. The main defence outcome and the four intermediate outcomes are shown above. The next step is to identify the likely security challenges that threaten New Zealand's ability to reach its goals and the most appropriate responses required if these goals are to be achieved. The security challenges are drawn from an assessment of New Zealand's geo-strategic situation and international security trends as part of the strategic planning process.

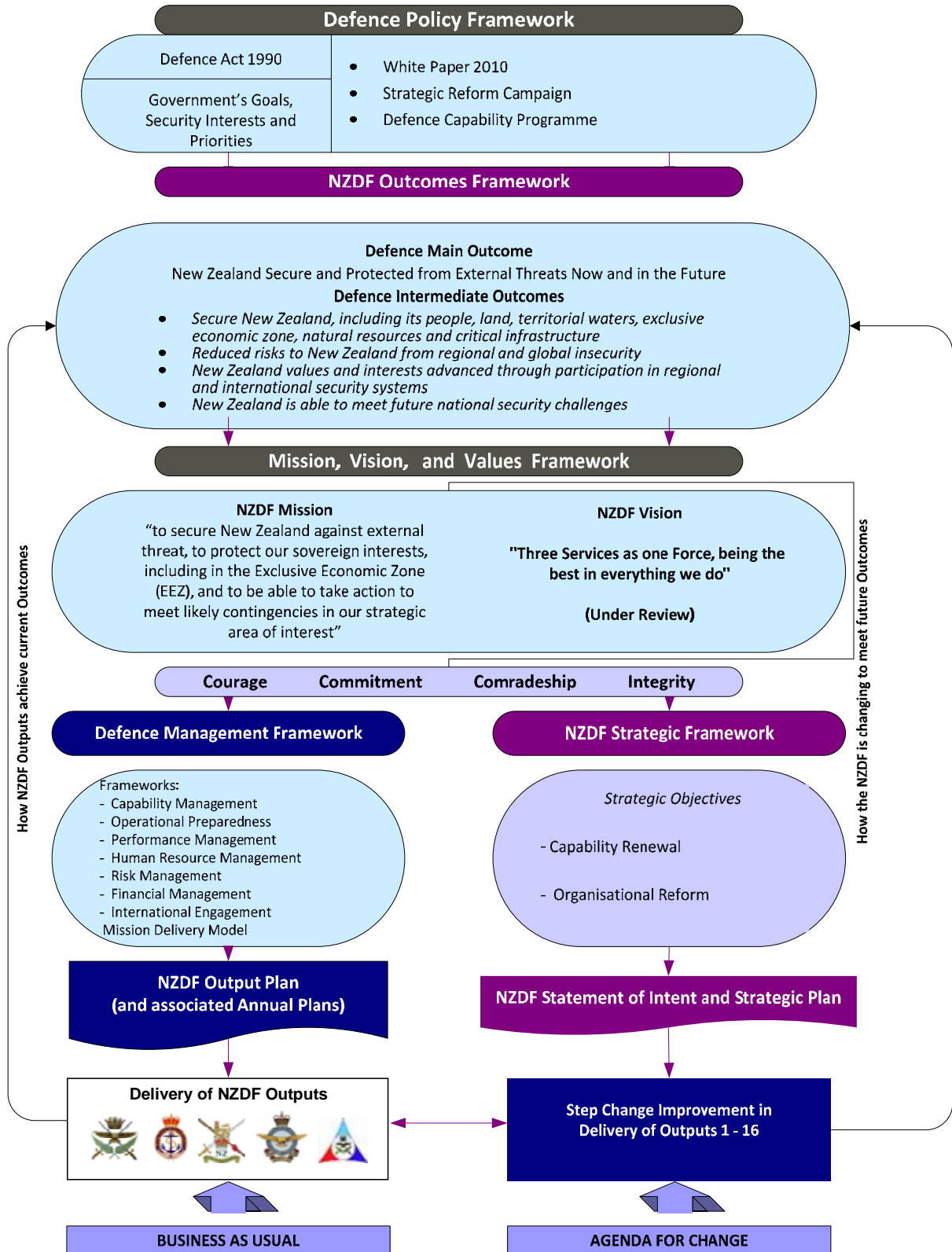
These challenges are described as Employment Contexts (ECs) by the NZDF. The ECs are then used to build the specifications for the NZDF operational outputs, thus ensuring outputs are consistent with government policy. ECs are environment-related (geographically grouped) and relate directly to the tasks 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.

ECs are an important tool for the NZDF's ability to plan against likely future requests from government, providing a benchmark to measure and report preparedness levels. Nevertheless, they remain guidelines and are not the only input into any decisions made on the deployment of the NZDF's force elements. Other information, such as lessons learned from actual operations and detailed operational planning, is used to provide government with more detailed advice on deployment options, costs and risks.

The ECs against which the NZDF's operational outputs are assessed are shown in the *2011 Information Supporting the Estimates of Appropriations* and will be reported on in the NZDF's *2012 Annual Report*.

Section 3: Our Strategic Direction

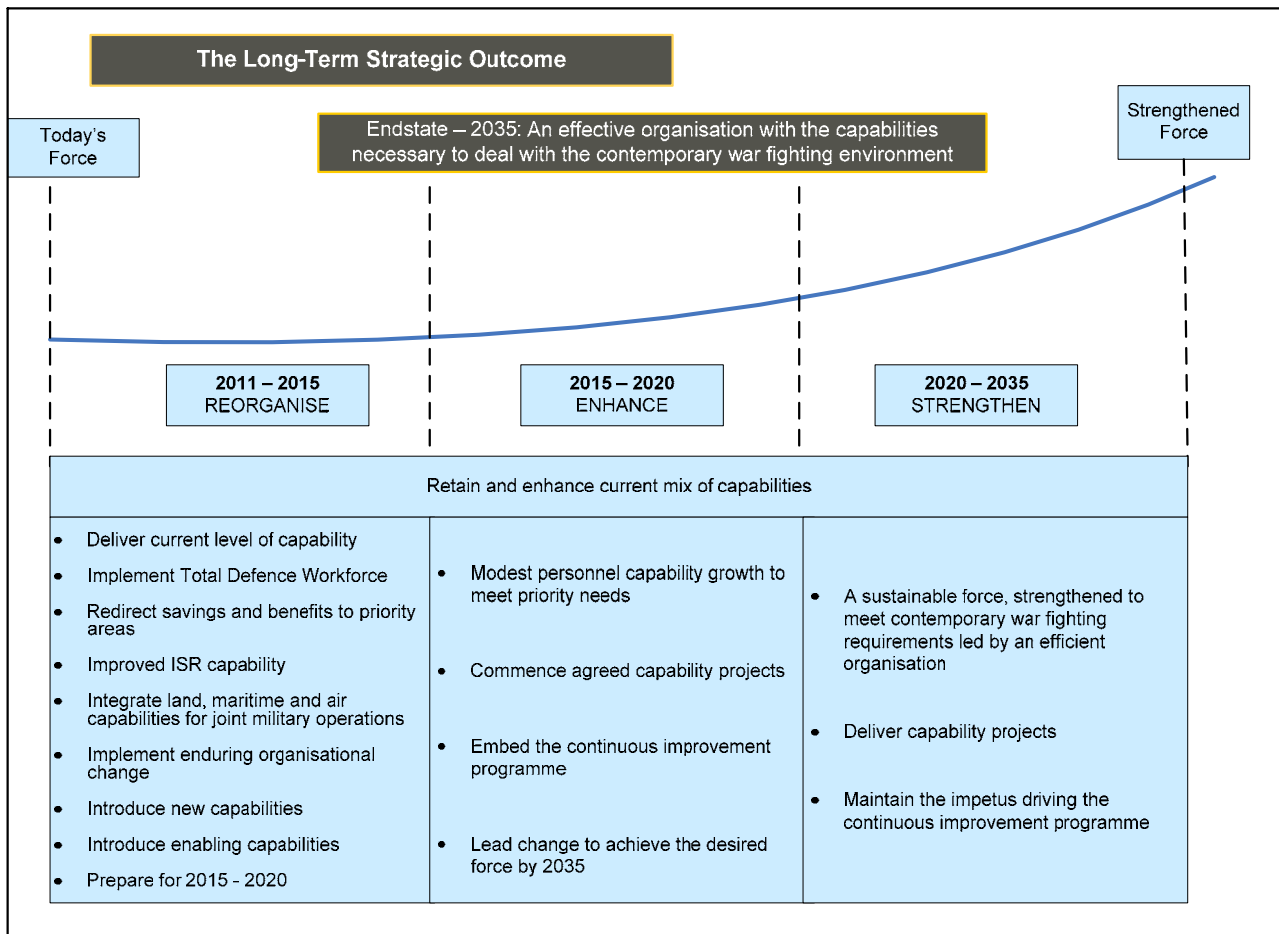
This section shows how the NZDF contributes to Defence Outcomes and how those outcomes are linked to the day-to-day delivery of military capabilities resident in the NZDF Outputs. The diagram below outlines the linkages involved in our strategic framework.



Strategic Reform Campaign

The recent White Paper has set the overall direction for the NZDF over the next 25 years. It also sets out a pathway to retain and enhance existing NZDF capabilities. As noted in CDF's introduction, a strategic reform campaign has been developed to implement the White Paper.

The long-term strategic outcome for the NZDF is that by 2035, it will be an organisation with the capabilities necessary to deal with the contemporary war fighting environment. The pathway to this endstate is shown in the following diagram.



By 2035, the NZDF will be able to:

- **Project and sustain** a sizeable combat force offshore.
- Independently **deploy amphibious forces** in the Pacific.
- Be **fully networked** and interoperable with partners.
- Support operations with **improved C⁴ISR³**.
- Have a **Total Defence Workforce**.
- Have a **robust ICT** infrastructure.
- Be a strategically **focused** organisation.

³ C⁴ISR refers to Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance.

- Be **consolidated** in our real estate footprint.

This Statement of Intent focuses on the 2011 – 2015 Reorganise phase.

In furtherance of the Government's requirements for Defence, the Chief of Defence Force has directed that in the period 2011 – 2015, the delivery of military capability is to concentrate on:

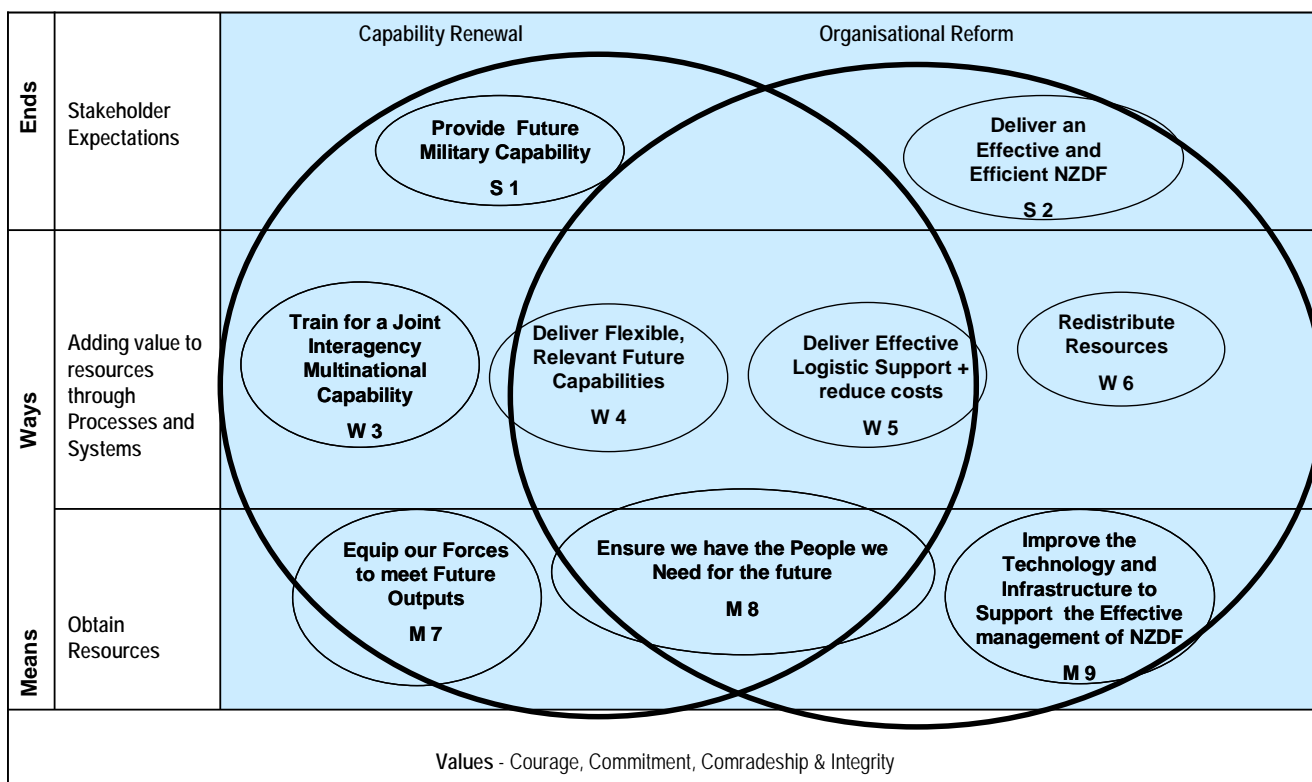
- Achieving dominance in New Zealand's maritime domain and the South Pacific region, through the generation of a joint amphibious capability, a sustained level of maritime patrol and an improved output level from intelligence, surveillance and reconnaissance activities.
- The capability to conduct regional activities (i.e. NZDF capabilities necessary to conduct military operations and respond to humanitarian and disaster relief, non combatant evacuation, and stability and support operations.)
- Maintaining security in the region through joint maritime patrols in support of the management of Pacific Island nations' exclusive economic zones.

As a result, the NZDF will become better prepared to produce the military responses that Government is most likely to require, with priority being given to the South Pacific region. Accordingly, preparedness levels of the NZDF's operational outputs will be adjusted to reflect this shift in policy.

The NZDF's strategy to achieve military excellence on operations across the organisation will be effected through the three strategic themes of stakeholder expectations, adding value to resources through processes and systems, and obtaining resources. This is shown in the following Strategy Map.

NZDF Strategy Map

Mission: 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.



Measures

Progress towards achieving our strategic objectives will be monitored through the measures and initiatives in the table below and reported through the NZDF’s Balanced Scorecard.

Objectives	Measures	Initiatives
Stakeholder Expectations		
S1 – Provide Future Military Capability	<ul style="list-style-type: none"> • OLOC⁴ Generation Plans to meet OE16 • OPRES – Force Elements at DLOC⁴ • OPRES⁵ – Future predictions of DLOC • Introduction of new Capabilities 	Initiatives are found across other perspectives in the Balanced Score Card
S2 – Deliver and Effective and Efficient NZDF	<ul style="list-style-type: none"> • Ongoing Attitude Survey <ul style="list-style-type: none"> ○ Confidence in leadership ○ Long term Planning • Budget Predictions • NZDF Reputation 	
Adding Value through Processes and Systems		
W3 – Train for a Joint, Interagency, Multinational Capability	<ul style="list-style-type: none"> • Joint training <ul style="list-style-type: none"> ○ Activities conducted ○ Qualitative assessment 	Master Activity Schedule (Joint Activities)
W4 – Deliver Flexible, Relevant Future Capabilities	<ul style="list-style-type: none"> • Capability Concepts for 2035 <ul style="list-style-type: none"> ○ Joint Operational Concepts ○ Environmental • Experimental programme leading to future decisions 	<ul style="list-style-type: none"> • NZDF Capability Plan • Development of Joint Operational Concepts
W5 – Deliver Effective Logistics Support at a reduced cost	<ul style="list-style-type: none"> • Reduced costs to logistics • Logistic support Impact on DLOC/OLOC generation 	Logistics Change Programme
W6 – Redistribute Resources	<ul style="list-style-type: none"> • Reduce Costs across HQ NZDF • Savings accumulated 	<ul style="list-style-type: none"> • HQ Change Programme • Innovation and Improvement programme • NZDF Reform Programme
Obtain Resources		
M7 – Equip our Forces to meet Future Outputs	<ul style="list-style-type: none"> • Equipment deficiencies identified through OPRES • Delivery of equipment on time, budget and within specifications 	Defence Capability Plan
M8 - Ensure we have the People we need for the Future	<ul style="list-style-type: none"> • Critical military appointments filled • Ongoing Attitude Survey satisfaction with career management • Human Resource cost reduction 	<ul style="list-style-type: none"> • Total Defence Workforce Policy • HQ Change Programme
M9 – Improve the Technology and Infrastructure to Support Effective Management of the NZDF	<ul style="list-style-type: none"> • Assessment of Real Estate Footprint • Cost reduction of Real Estate portfolio • Cost reduction resultant from investment in Information and Communications Technology 	<ul style="list-style-type: none"> • Real Estate Rationalisation Programme • ICT Investment Programme

⁴ DLOC (Directed Level of Capability) is a lower level of capability, sufficient to allow operational standards to be reached within a prescribed response time. Holding a force element at lower levels of capability avoids expenditure on some training, personnel, and maintenance until such time as it is needed to generate higher levels of performance for particular operational situations. OLOC (Operational Level of Capability) is this higher level of capability performance, which enables a force element to deploy and commence operations. To bring a force element from DLOC to OLOC requires additional training and resources.

⁵ See Section 6 for a description of OPRES (Operational Preparedness Reporting and Evaluation System).

Impacts through the delivery of current Outputs

Other than current deployed forces on operations, 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, the provision of a range of services to multi-agencies within New Zealand, and strategic shaping services through military diplomacy. This makes the NZDF different 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 preparing for and delivering 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 2011 around 8% of the total NZDF Regular Force strength was deployed on operations, including those providing support to Operation Christchurch Earthquake. But this is not the whole picture – added to this are the following:

- Those personnel who are undergoing specific training for the next deployment (twice per year based on deployments of six months) – 10%.
- Those personnel who have just returned from an operational mission (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%.
- 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%.

About 50% of the total Regular Force personnel strength (approximately 5,000 of 9,800) is related in some way, to deployed operations overseas and in the New Zealand environment, as illustrated above. This also demonstrates the high activity tempo currently being experienced by the NZDF.

The *impacts* the NZDF aims to achieve through the delivery of current NZDF Outputs are shown in the following table:

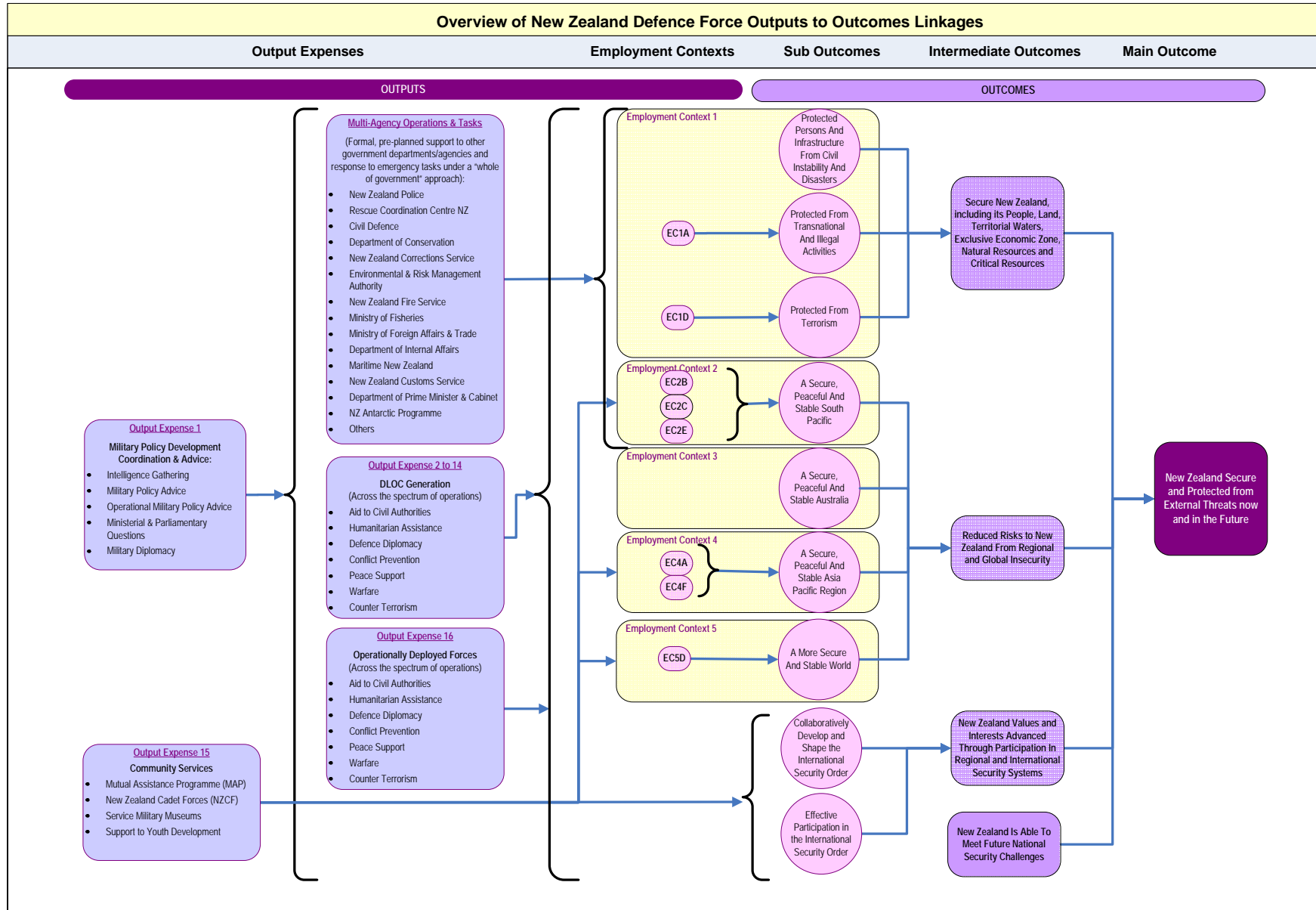
Intended Impacts

Intended Impacts for which the NZDF is Appropriated	Appropriations for Output Expenses
<p>1. <i>A better informed government and public, as appropriate, in the areas of:</i></p> <ul style="list-style-type: none"> • Military Intelligence • Military Policy • Operational Military Policy Advice • Ministerial Correspondence and Parliamentary Questions 	<p>Military Policy Development, Coordination and Advice (OE 1)</p>
<p>2. <i>A Defence Force that has the capacity to deliver an appropriate range of military response options to the Government for deployment on operations. (This is achieved through the generation of levels of capability preparedness of the force elements of the Navy, Army and Air Force.)</i></p> <p>3. <i>A Defence Force that has the capacity to deliver the required levels of support to other government departments and agencies for Multi-Agency Operations and Tasks (MAO&T), and community support when not otherwise committed.</i></p>	<p>Naval Combat Forces (OE 2) Naval Support Forces (OE 3) Mine Countermeasures (MCM) and MCM Diving Forces (OE 4) Naval Patrol Forces (OE 5) Military Hydrography and Hydrographic Data Collection and Processing for LINZ (OE 6) Land Combat Forces (OE 7) Land Combat Support Forces (OE 8) Land Combat Service Support Forces (OE 9) Special Operations Forces (OE 10) Naval Helicopter Forces (OE 11) Airborne Surveillance and Response Forces (formerly the Maritime Patrol Forces) (OE 12) Fixed Wing Transport Forces (OE 13) Rotary Wing Transport Forces (OE 14)</p>
<p>4. <i>A Defence Force that has the capacity to deliver high quality support to a range of programmes and services within and outside the NZDF.</i></p>	<p>Multi-Class Output Appropriation - Miscellaneous Support Activities (OE 15):</p> <ul style="list-style-type: none"> • Support to Mutual Assistance Programme (MAP) • Support to NZ Cadet Forces • Support to Service Military Museums • Support to Youth Development (Limited Service Volunteer Scheme, Youth Life Skills programme and Military-style Activity Camps)
<p>5. <i>Government military contributions to United Nations missions and other government-supported multi-national force operations are valued and seen as New Zealand being a good international citizen.</i></p> <p>6. <i>Defence Force contributions to government-approved operational missions and deployments are of a high standard in terms of personnel and equipment; personnel and equipment that is Ready, Combat Capable, Deployable and Sustainable.</i></p>	<p>Operationally Deployed Forces (OE 16)</p>

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. 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.



Note: The eight Employment Contexts (ECs) shown in this diagram are those that have been fully developed / tested and against which all force elements of the NZDF are assessed.

Section 4: Operating Intentions

A summary of Defence Outcomes is presented at *Section 1*. 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.

This section also covers how the NZDF intends to Measure its Performance, Cost-Effectiveness considerations - including Inter-Department/Agency Collaboration, and Sustainable Business Practice.

Achieving Defence Intermediate Outcomes

The *Intermediate Outcomes* and sub-outcomes provide the vital links between the *Government's Key Goals and Security Interests*, 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 outcome is divided into the following sub-outcomes:

- Protected from Terrorism
- Protected from Transnational Illegal Activities
- Protected persons and infrastructure from Civil Instability and Disasters.

National Perspective. Defending our 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. Working with other border agencies, the NZDF will seek to deter unwanted intrusions against the country or within its EEZ 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 new vessels delivered under Project Protector (HMNZS *Canterbury* and the Naval Patrol Force) have greatly enhanced the NZDF's ability, in concert with others, to operate in these areas. Already, the Ministry of Fisheries have advised that they have observed changes in behaviours of fishing fleets now that the patrol vessels are in service.

The NZDF will continue to provide support to New Zealand's presence in Antarctica through the joint logistics pool with the United States, to which the NZDF contributes military airlift and other services. The NZDF will also monitor activities in its 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 (such as the recent earthquakes in Canterbury) 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. In addition, the NZDF provides significant support to the Government's Youth Development initiatives.

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 and giving the ANZAC tradition greater contemporary relevance. The two countries are better able to influence events in the region of joint interest if they operate together rather than separately.

NZDF Contribution. In discharging our obligations as an ally of Australia, 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 mechanism of Closer Defence Relations (CDR). 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. The NZDF will identify areas where the NZDF and the Australian Defence Force (ADF) should have different, but complementary capabilities, as well as actively pursuing opportunities for new ways of working with the ADF. Building on our joint security and stabilisation activities in places such as Solomon Islands, the NZDF will contribute to the ANZAC Ready Response Force, which will respond to regional emergencies.

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 the Mutual Aid Programme (MAP) and Overseas Development Assistance (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 professional development of indigenous defence and security forces throughout the region, under the auspices of the MAP, also contributes to this outcome. Further contributions to this outcome are derived from assisting in the surveillance of EEZs of South Pacific states, search and rescue, civil aid activities and assistance with relief in the event of any natural or humanitarian disasters in the region. Whether as a lead, or without relying on other forces, 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 problems in Solomon Islands over recent years is a good example of our commitment to this intermediate outcome.

Looking further afield, the NZDF and ADF are likely to remain at the forefront of providing assistance to Timor-Leste.

A Secure and Stable Asia-Pacific Region

National Perspective. New Zealand derives significant benefits from a stable and prosperous Asia and the costs of any future trouble in this region could be high. It is therefore in our national interest to uphold and contribute to a favourable environment by supporting peace and security within the Asia-Pacific region.

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.

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 and training 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, 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 maintaining a naval and air presence in support of freedom of commerce and navigation, contributing to efforts to prevent the proliferation of WMD and to achieve nuclear disarmament in the region, supporting regional efforts to deal with terrorism and other transnational security threats, and being willing and able to assist in times of natural or humanitarian disasters.

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. New Zealand will therefore continue to contribute to international efforts to resolve conflict. 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.

Participation in combat, peace support and other international security operations will almost certainly be as a partner in a coalition operation, mandated or endorsed by the United Nations or by a regional organisation. New Zealand's contribution could vary widely from peacekeeping and peace enforcement, to disaster relief and humanitarian assistance, to demining, to maritime security operations, through to state building.

NZDF Contribution. There is no necessary size or shape to international military contributions. The NZDF, however, is a small force. There will be limits to what the NZDF can provide and sustain, but within those limits there is some flexibility. Contributions will therefore be determined by a range of factors, such as availability, location, tasks, risk, and international expectations. It may extend to taking a robust combat role.

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 Defence policy; the long-term sustainable investment in a viable Defence Force.

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 equipment that contributes 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 and equipment have known obsolescence dates. Planning tools include enduring strategic guidance, evidence-based decision support tools, strategic assessments, capability goals matrices and research/lessons learned. The recent White Paper has identified the capabilities required by the NZDF out to 25-plus years.

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) and the NZDF 2011/12 Output Plan. A summary of the NZDF Output Expenses/Outputs are shown in the following table:

Table: Summary of NZDF Output Expenses / Outputs

Output Expense	Title and Description	Outputs
1	<p><i>Military Policy Development, Coordination and Advice</i></p> <p>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.</p>	<p>1.1 Collection/Collation/ Dissemination of Military Intelligence</p> <p>1.2 Development and Production of Military Policy</p> <p>1.3 Operational Military Policy Advice</p> <p>1.4 Ministerial Correspondence and Parliamentary Questions</p>
2	<p><i>Naval Combat Forces</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the Naval Combat Forces (two ANZAC Class Frigates - HMNZ Ships <i>Te Mana</i> and <i>Te Kaha</i>) 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.</p>	<p>2 Naval Combat Forces</p>
3	<p><i>Naval Support Forces</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the Naval Support Forces (the Fleet Replenishment Ship HMNZS <i>Endeavour</i> and the Multi-Role Vessel HMNZS <i>Canterbury</i>) 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.</p>	<p>3.1 Replenishment Forces</p> <p>3.2 Amphibious Sealift Forces</p>
4	<p><i>Mine Countermeasures (MCM) and MCM Diving Forces</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the MCM and MCM Diving Forces. The MCM Force (including HMNZS <i>Manawanu</i>) 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.</p>	<p>4.1 MCM Forces</p> <p>4.2 MCM Diving Forces</p>
5	<p><i>Naval Patrol Forces</i></p> <p>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. The primary purpose of the IPVs is to deliver patrol tasks to meet civilian requirements.</p>	<p>5.1 Offshore Patrol Forces</p> <p>5.2 Inshore Patrol Forces</p>

Output Expense	Title and Description	Outputs
6	<p><i>Military Hydrography, and Hydrographic Data Collection and Processing for LINZ</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the hydrographic and oceanographic survey vessel (HMNZS <i>Resolution</i>), 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.</p>	<p>6.1 Military Hydrography</p> <p>6.2 Hydrographic Data Collection and Processing for LINZ</p>
7	<p><i>Land Combat Forces</i></p> <p>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.</p>	<p>7.1 Command, Control and Intelligence</p> <p>7.2 Manoeuvre Elements (Infantry – light, motorised, or composite)) and Reconnaissance</p>
8	<p><i>Land Combat Support Forces</i></p> <p>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.</p>	<p>8.1 Artillery</p> <p>8.2 Engineers</p> <p>8.3 Communications</p> <p>8.4 Military Police</p>
9	<p><i>Land Combat Service Support Forces</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the Land Combat Service Support Forces, consisting of transport, medical, supply, maintenance support, 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.</p>	<p>9.1 Transport</p> <p>9.2 Medical</p> <p>9.3 Supply</p> <p>9.4 Maintenance Support</p> <p>9.5 Movements</p>
10	<p><i>Special Operations Forces</i></p> <p>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.</p>	<p>10.1 Special Forces</p> <p>10.2 Counter-Terrorist Forces</p> <p>10.3 Chemical, Biological, Radiological, Explosive, Improvised Explosive Device Disposal (CBRE IEDD)</p>
11	<p><i>Naval Helicopter Forces</i></p> <p>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.</p>	<p>11 Naval Helicopter Forces</p>
12	<p><i>Airborne Surveillance and Response Forces (formerly Maritime Patrol Forces)</i></p> <p>Under this output expense the Minister of Defence purchases the capabilities of the Maritime Patrol Forces (P-3K/2 Orion aircraft) prepared to conduct airborne surveillance of New Zealand's EEZ, the Pacific region and the Southern Ocean, search and rescue missions, and land air operations. This output expense also includes the provision of Orion aircraft for a range of support services to the Government and the community.</p>	<p>12 Airborne Surveillance and Response Forces</p>

Output Expense	Title and Description	Outputs
13	<p>Fixed Wing Transport Forces</p> <p>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 (AME). This output expense also includes the provision of air transport aircraft for a range of support services to the Government and the community.</p>	<p>13.1 B-757-200 Transport Force</p> <p>13.2 C-130 Transport Force</p>
14	<p>Rotary Wing Transport Forces</p> <p>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 AME, 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.</p>	14 Rotary Wing Transport Forces
15	<p>Multi-Class Output Appropriation (MCOA): Miscellaneous Support Activities</p> <p>The individual Output Classes that make up this MCOA are as follows:</p> <p>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 of participant countries under the Mutual Assistance Programme (MAP), both in New Zealand and in MAP countries.</p> <p>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.</p> <p>15.3 Support to Service Military Museums: This output class is limited to collection development, collection management and exhibits related to New Zealand's military history.</p> <p>15.4 Support to Youth Development: This output class is limited to New Zealand Defence Force (NZDF) support to government-initiated youth development schemes in New Zealand, namely the conduct of Limited Service Volunteer (LSV) courses and contributions to Youth Life Skills (YLS) programmes (Service Academies and Military-style Activity Camps).</p>	<p>15.1 Support to Mutual Assistance Programme</p> <p>15.2 Support to New Zealand Cadet Forces</p> <p>15.3 Support to Service Military Museums</p> <p>15.4 Support to Youth Development (including LSV Scheme)</p>
16	<p>Operationally Deployed Forces</p> <p>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.</p>	16 Operationally Deployed Forces

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

Intermediate Outcome	Sub-Outcome	Related Employment Contexts (ECs)	Related Output Expenses
1. Secure New Zealand	Protected from Terrorism	EC 1D	1, 2, 3.2, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14 and 16
	Protected from Transnational Illegal Activities	ECs 1A, 2A, and 1E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
	Protected persons and infrastructure from Civil Instability and Disasters	ECs 1C, 1B, 2B and 2E	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
2. Reduced Risks to New Zealand from regional and global insecurity	A Secure, Peaceful and Stable South Pacific	ECs 2A, 2B, 2C, 2D, and 2E	1, 2, 3, 4, 5.1, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
	A Secure, Peaceful and Stable Australia	ECs 3A, 3B, 3C, and 3D	1, 2, 3, 4, 5.1, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
	A Secure and Stable Asia-Pacific Region	ECs 4A, 4B, 4C, 4D, 4E, 4F, and 4G	1, 2, 3, 4, 5.1, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
	A more Secure and Stable World	ECs 5A, 5B, 5C, 5D, 5E, 5F, and 5G	1, 2, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 16
3. New Zealand Values and Interests advanced through participation in regional and international security systems	Collaboratively Develop and Shape the International security Order Effective Participation in the International Security Order	This intermediate outcome is much wider than all ECs and Outputs. For example, it extends to: Defence Attaché posts. All International and regional security fora. Security Treaties/Pacts/ Arrangements – FPDA. ABCA, ASIC, AUSCANNZUKUS, CCEB, NSA, PASOLS, TTCP, etc. Some Relationship to the Multi-Class Output Appropriation (MCOA) – [Output Expense 15].	
4. New Zealand is able to meet future national security challenges		Developmental. Future ECs developed as a result of security trends and concerns (15 – 20 years out)	Some relationship to MCOA [Output Expense 15]. New capabilities may be required; resulting in requirement for restructured or new outputs.

Minister of Defence Priorities

The Minister of Defence has confirmed that the Government's principal priority for 2011 is the implementation of the White Paper. This will focus on the following:

- **Shifting Resources to the Front line.** In order to fund the NZDF's operations and new capabilities, the White Paper has identified significant savings which can be made through the continuation of the Defence Transformation Programme and implementing initiatives identified in the Value for Money Review. There needs to be a concerted effort to get this under way in the coming year, noting that it is spread over several years. This will be a priority for the Chief of Defence Force and will be subject to regular reporting.
- **Organisational Reform.** The White Paper has committed Defence to several initiatives in this area; the establishment of a Defence Advisory Board appointed by the Minister of Defence; changes in the management of the NZDF; and closer integration of the MoD and NZDF efforts in the whole-of-life management of military capabilities. All of these will be put into place in the coming year. Amendments to the Defence Act 1990 will be introduced as soon as the House schedule allows.
- **Current Acquisition Projects.** While the Defence Review has been under way, the major defence acquisition programme has continued. The first upgraded C-130 Hercules has been accepted, but there is a need to get the rest of the aircraft through the programme. Also, the first A-109 helicopters have been accepted. In 2011, the NZDF is expecting to accept the first upgraded P-3K2 Orion and the first NH-90 helicopters. The Minister's objective is to see that these acceptances are achieved, that major advances are made in the Hercules and Orion projects, and that the introduction into service of these upgraded and new acquisitions proceeds smoothly.
- **International Commitments.** Ensuring that the Government's international commitments are effectively met and managed will be an ongoing priority. Both the New Zealand and Australian White Papers highlighted potential areas of increased joint focus. In this regard, capability development, especially concerning logistic support, naval replenishment and the Ready Response Force, are near term objectives. In Asia, there is an opportunity to contribute to the strengthening of multilateral security institutions in that region through the work programmes flowing from the 40th Anniversary of the FPDA and the bedding in of the outcomes of the first Asian Defence Ministers Meeting, held in 2010.
- **Capability Development.** The White Paper identified the need for a number of new capabilities over the next five years and especially several that required work to start on the development phase immediately. The first priority will be improved pilot training. In 2012, the Minister plans to bring forward options for the upgrading of the frigates and the replacement of the Navy's replenishment ship, HMNZS *Endeavour*. Beyond that, there will be a need to focus on a rolling renewal of the land transport fleet, a land command and control system, and a replacement littoral warfare support ship.

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 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 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 and Evaluation System (OPRES),
- Personnel Management Systems,
- Financial Management Systems,
- Project 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;
- 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 Operational Preparedness

The NZDF Operational Preparedness Reporting and Evaluation 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 four areas of *Personnel, Equipment, Trained State and Sustainability*. OPRES provides robust feedback to the NZDF Leadership Board 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. Policy guidance is provided in a preparedness directive.

Performance in Achieving Organisational Effectiveness

The Defence Performance Management System (DPMS) allows the measurement of our ability to effectively and efficiently manage a large and complex business. The DPMS includes performance measures of NZDF functions that directly support the force elements, including supply chain measures, repairs and maintenance, delivery of training, and ICT support.

Performance in Achieving Strategic Objectives

Progress made towards each of the strategic objectives (capability renewal and organisational reform) is tracked by the Defence Force Leadership Board (DFLB) on a quarterly basis using the NZDF Balanced Scorecard. 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*.” The NZDF Balanced Scorecard shows for each objective, progress made on implementation of strategic initiatives, and whether the measures are improving. This informs the DFLB on whether the initiatives are delivering the required results to achieve the vision.

Measurement of Achievement of Defence Main and Intermediate Outcomes.

The NZDF Main and Intermediate Outcomes are currently not linked to a formal set of measures.

The reason for this is due to the complexity of measuring outcomes that deliver security and protection. As stated in the 2008 – 2011 Statement of Intent for the New Zealand Customs Service, there is no single measure of success in delivering protection. Success or failure in security and protection cannot be determined solely by the level of actual harm observed. For example, harm may be unnoticed or unreported and the level of threats to border security can only be estimated. There is no definitive way of knowing what might have happened, but did not happen, because of the activities of the NZDF. There is also the issue of security of information.

Given that New Zealand's security position is an outcome common to all departments and agencies that contribute to the security and protection of New Zealand, a study was commenced in 2007 to develop a set of measurable New Zealand security outcomes. The study, sponsored by the MoD, on behalf of the Domestic and External Security Committee, has been on hold pending completion of the recent *Defence Review / Defence White Paper*. It is understood the study will re-commence and draw on the work of the *Defence Review*.

The intent is that all departments / agencies of government that contribute to the security of New Zealand will be able to show, in measurable terms, how they contribute to the developed set of security outcomes.

Once these security outcomes are developed, the NZDF intends to review its own outcomes to ensure these are aligned. This may also result in a review of the NZDF's current output expense structure. The NZDF will also contribute to the development of a comprehensive national security framework, led by the Department of Prime Minister and Cabinet.

In the meantime, the measures surrounding the current NZDF Strategic Objectives, coupled with the aggregated results of OPRES, provide a reasonably robust, yet informal, measure as to the health of the NZDF and an indication as to progress in achieving its outcomes. The NZDF also intends to concentrate on the development of performance measures inherent in the NZDF's mission delivery.

The extent to which New Zealand is being effectively secured and protected by the NZDF will also be assessed from a balanced consideration of a variety of factors, including trust and confidence by stakeholders.

A Whole of Government⁶ 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 Cabinet⁷, all have a significant part to play in determining the overall results for government outcomes. In concert with the MoD-sponsored study mentioned above, the NZDF will continue to identify the indicators and impact measures that are applicable to Defence contributions to national security – in its widest sense.

Value for Money (Cost-Effectiveness) 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-

⁶ *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.

⁷ For example, a decision by Cabinet to contribute NZDF force elements to various operational missions.

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.

The NZDF has in place a number of internal efficiency programmes, including the Defence Transformation Programme (DTP). This is a comprehensive effort to redistribute resources from within the existing budget of the NZDF. The DTP has already redistributed a total of \$84 million through a number of 'quick win' projects. Organisational changes, which have been implemented in areas such as logistics, training, and HR will see this amount rise in future years. It is expected that resources worth around \$100 million per year will be freed up by 2014/15 as a result of the DTP.

But these measures alone will not be sufficient to meet the costs of maintaining and enhancing the NZDF's current capabilities. This is why a comprehensive and independent Value for Money (VfM) review was conducted as part of the recent Defence Review. The VfM review concluded that the world class mission delivery is not being replicated elsewhere in the NZDF. Close to 55% of the NZDF's operating costs are incurred in the middle and back, with only 45% spent on front-line activities.

NZDF resources will therefore be redistributed to sustain and build front-line activities. The Government expects that by 2014/15 the NZDF will free up \$100 million from the DTP and \$250 - \$300 million from other VfM initiatives, on an annual recurring basis, for front-line activities. Nevertheless, this will not remove the need for Government to still contribute new money to Defence over time.

The NZDF will have flexibility in the way it pursues this savings target, but clear expectations will be set out in the performance agreement of CDF and clear savings milestones will be agreed and reported to Cabinet.

The NZDF is also participating in the Better Administrative Support Services (BASS) programme, which will identify opportunities to improve services through benchmarking, monitoring and evaluation.

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.

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.

Together with the NZDF, the Ministry of Defence, the Ministry of Foreign Affairs and Trade, and the New Zealand Customs Service, form the External Sector, as reported in the *Information Supporting the Estimates of Appropriations for the Government of New Zealand* (B.5A Vol. 4) annual budget document. These departments are collectively responsible for managing most of New Zealand's official relationships with the rest of the world and protecting its security at and beyond the border.

Inter-Department/Agency Collaboration

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution ⁸
Ministry of Defence (MoD)	<p>NZDF Main Outcome: <i>New Zealand secure and protected from external threats now and in the future.</i></p> <p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to New Zealand from regional and global insecurity.</i></p> <p>NZDF Intermediate Outcome 3: <i>New Zealand values and interests advanced through participation in regional and international security systems.</i></p> <p>NZDF Intermediate Outcome 4: <i>New Zealand Able to Meet Future National Security Challenges.</i></p> <p>MoD two high-level Outcomes:</p> <ul style="list-style-type: none"> • <i>New Zealand is secure.</i> • <i>The security of other nations is enhanced by New Zealand's efforts.</i> <p>MoD Intermediate Outcomes:</p> <ul style="list-style-type: none"> • <i>New Zealand's military capabilities are aligned with our requirements.</i> • <i>New Zealand's military deployments support our regional and wider international objectives.</i> • <i>New Zealand's defence relationships are aligned with our security interests and foreign policy goals.</i> • <i>New Zealand identifies all credible military threats to its security environment.</i> 	<p>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:</p> <ul style="list-style-type: none"> • the Office of Chief Executives (Secretary of Defence and CDF discuss policy issues of mutual interest); • the Capability Management Board (MoD and NZDF senior military and civilian officials oversee major capital acquisitions); • a joint strategic office directed collaboratively by the Vice Chief of Defence Force and Deputy Secretary Policy and Planning; and • 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.

⁸ 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, memoranda 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	Shared Outcomes	Summary of the Relationship and NZDF Contribution
<p>Department of Prime Minister and Cabinet (DPMC)</p>	<p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to New Zealand from regional and global insecurity.</i></p> <p>NZDF Intermediate Outcome 3: <i>New Zealand values and interests advanced through participation in regional and international security systems.</i></p> <p>NZDF Intermediate Outcome 4: <i>New Zealand Able to Meet Future National Security Challenges.</i></p> <p>The main Outcome that DPMC works to achieve is: <i>Good government, with effective public service support.</i> The DPMC Contributing Outcome that closely relates to the NZDF is: <i>The management of domestic and external security is well planned, informed and co-ordinated.</i></p>	<p>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.</p> <p>While <i>Defence</i> has an obvious relationship with the National Assessments Bureau (NAB) 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 <i>defence</i> representation, that are set up to monitor major issues and to oversee inter-agency action.</p>
<p>Ministry of Foreign Affairs and Trade (MFAT)</p>	<p>NZDF Main Outcome: <i>New Zealand secure and protected from external threats now and in the future.</i></p> <p>NZDF Intermediate Outcomes 2 to 4.</p> <p>MFAT Mission: <i>New Zealand's security and prosperity interests are advanced and protected, our voice is heard abroad.</i></p> <p>MFAT Long-Term Outcome 1: <i>New Zealand's security and economic interests safeguarded through its political and security relationships.</i></p>	<p>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.</p> <p>The core collaborative relationship that MFAT has with the NZDF revolves around <i>diplomacy</i> and, in particular:</p> <ul style="list-style-type: none"> • <i>The bilateral and regional defence relationships and security cooperation initiatives that are developed.</i> 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 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.

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution
(MFAT <i>continued</i>)	MFAT Long-Term Outcome 5: <i>The rights of New Zealanders abroad protected.</i>	<ul style="list-style-type: none"> • <i>Supporting New Zealand citizens caught up in emergency situations overseas.</i> 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.
Antarctica New Zealand	<p>Antarctica New Zealand is the Crown Entity responsible for developing, managing and executing New Zealand Government activities in Antarctica and the Southern Ocean, the Ross Dependency in particular.</p> <p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p>	The NZDF provides support, annually, to the NZ Antarctic Programme (NZAP). This normally involves C-130 Hercules tasks to McMurdo Sound, freight movement, terminal operations, training assistance, some logistic support and other assistance as requested and approved, such as engineer support.
NZ Police	<p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to NZ from regional and global insecurity.</i></p> <p>The related New Zealand Police Outcome: <i>Confident, Safe and Secure Communities.</i></p>	<p>The NZDF enjoys a special working relationship with the New Zealand Police. In all cases in New Zealand 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:</p> <ul style="list-style-type: none"> • 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. <p>The NZDF and NZ Police are also working side by side in restoring or maintaining law and order in several Pacific Island nations.</p>
Ministry of Fisheries (M Fish)	<p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to New Zealand from regional and global insecurity.</i></p>	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. M Fish and the 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.

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution
(M Fish <i>continued</i>)	Ministry of Fisheries related Outcome: The health of the <i>aquatic environment is protected</i> .	<p>The NZDF's support to the Ministry of Fisheries under the NZDF's Multi-Agency Operations and Tasks (MAO&T) has taken on increased significance with the new Offshore and Inshore Patrol Vessels (OPVs and IPVs) of the Navy (under Project PROTECTOR), now in service.</p> <p>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. <i>(As at the time of writing, 1 July 2011 has been set as the date for the legal merger between the Ministry of Fisheries and Ministry of Agriculture and Forestry.)</i></p>
New Zealand Customs Service	<p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to New Zealand from regional and global insecurity.</i></p> <p>NZDF Intermediate Outcome 3: <i>New Values and Interests Advanced Through Participation in Regional and International Security Concerns</i></p> <p>New Zealand Customs Service Mission is: <i>Protecting New Zealand's border and revenue in order that New Zealanders may live safely while actively participating in the global community.</i></p>	<p>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.</p> <p>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, and participation in training exercises such as the Proliferation Security Initiative (movement of suspected weapons of mass destruction.) The maritime surveillance role has taken on increased significance with the new patrol vessels now in service.</p>
<p>Maritime New Zealand (MNZ) [Formerly Maritime Safety Authority (MSA) of New Zealand].</p> <p>[And by association, links with the RCCNZ, the SAR Council of NZ, the SAR Consultative Committee, CAA and NZ Police]</p>	<p>NZDF Intermediate Outcome 1: <i>Secure New Zealand, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 2: <i>Reduced Risks to New Zealand from regional and global insecurity.</i></p> <p>The MNZ vision, as part of the wider New Zealand Transport Strategy, is: <i>Safe, secure and clean seas.</i></p>	<p>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.</p> <p>The NZDF is required to assist Maritime New Zealand, on request, with search and rescue operations. P-3K2 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</p>

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution
(MNZ <i>continued</i>)	The Board of MNZ <i>promotes maritime safety, environmental protection and security through standard setting, monitoring, education, compliance, safety services and oil pollution response.</i>	<p>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.</p> <p>The NZDF is represented on the Search and Rescue Council of NZ by a senior officer from HQ JFNZ. That Council provides high-level strategic governance to all SAR agencies in NZ. The Council is supported by a Secretariat and a SAR Consultative Committee. The SAR Consultative Committee serves as a link between the Secretariat and SAR providers. The NZDF is represented on this committee.</p>
New Zealand Security Intelligence Service (NZSIS)	<p>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.</p> <p>The NZSIS <i>gathers information related to New Zealand's security, assesses its significance, and gives advice to the Government and appropriate stakeholders.</i></p> <p>The primary outcomes to which the NZSIS works relate to <i>'protecting New Zealand from terrorism, espionage, sabotage, subversion, and threats to our international and economic well-being and providing advice to other government departments'</i>.</p> <p>NZDF Intermediate Outcome 1: <i>Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p>	<p>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:</p> <ul style="list-style-type: none"> • 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. <p>The NZSIS makes its contributions to the above in accordance with the NZSIS Act.</p> <p>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.</p> <p>The NZDF is the largest customer of the NZ SIS in terms of personnel security vetting procedures.</p>

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution
Government Communications Security Bureau (GCSB)	<p>NZDF Main Outcome: <i>New Zealand secure and protected from external threats now and in the future.</i></p> <p>NZDF Intermediate Outcome 1: <i>Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>NZDF Intermediate Outcome 4: <i>New Zealand Able to Meet Future National Security Challenges.</i></p> <p>GCSB Outcomes 2, 4 and 5 relate closely to Defence: <i>A Government alerted to any external threats; Official information is protected; and critical national infrastructure is protected.</i></p>	<p>The NZDF's long-standing working relationship with GCSB is similar to that which the NZDF has with the NZ SIS; involving, as it does, the <i>intelligence and security community</i>. 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.</p> <p>The NZDF/GCSB relationship involves the sharing of information and intelligence, as appropriate. Brief extracts from GCSB output statements best sum up the areas of mutual interest: <i>"Provide intelligence reports to enhance government decision-making in the areas of security and defence"; "Provision of support to other departments and agencies, particularly the NZDF"; GCSB, in concert with integrated NZDF staff where appropriate, provides intelligence and threat warning support to NZDF military operations, and advice on intelligence matters to the NZDF and others"; "Information is appropriately protected through improving awareness across government to improve the security of electronically held, processed or transmitted official information."</i></p>
Department of Internal Affairs - Ministry of Civil Defence and Emergency Management	<p>NZDF Intermediate Outcome 1: <i>Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>The Department of Internal Affairs / Ministry of Civil Defence and Emergency Management Outcome that most closely relates to the NZDF is: <i>Safer Communities.</i></p>	<p>The NZDF and the Ministry of Civil Defence and Emergency Management have always had a close working relationship on <i>civil defence</i> matters.</p> <p>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.</p> <p>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, the floods in Northland in July 2007, and the recent Canterbury earthquakes.</p>

Other Departments / Agencies	Shared Outcomes	Summary of the Relationship and NZDF Contribution
Department of Conservation (DOC)	<p>NZDF Intermediate Outcome 1: <i>Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>DOC Outcome: <i>Conserving and managing New Zealand's natural, historic and cultural heritage provides increasing benefit to New Zealanders.</i></p>	<p>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.</p> <p>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 New Zealand's 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.</p>
National Maritime Coordination Centre (NMCC)	<p>NZDF Intermediate Outcome 1: <i>Secure NZ, including its people, land, territorial waters, EEZ, natural resources and critical infrastructure.</i></p> <p>The NMCC <i>coordinates services that support the effective and efficient use of New Zealand's 'whole-of-government' maritime patrol and surveillance assets.</i></p>	<p>The NMCC is co-located with HQ Joint Forces New Zealand at Trentham. It is managed and operated as a separate unit within the New Zealand Customs Service. It is through the NMCC that NZDF assets, such as the P-3K2 Orion maritime patrol aircraft, the Offshore and Inshore patrol vessels, and other NZDF assets, are coordinated to support <i>multi-agency operations and tasks</i> in the New Zealand environment in support of a range of government departments and agencies, such as the New Zealand Customs Service and the Ministry of Fisheries.</p>

Section 5: Major Programmes of Work

This section provides relevant information on the current major areas of work within the NZDF. It covers the ongoing *Defence Capability Programme* and *Capital Intentions*.

Shaping and Building the NZDF and Defence Capability Programme

The on-going programme of shaping and building NZDF capabilities will focus on maintaining:

- deployable ground forces – suitably equipped and in sufficient numbers – including supporting elements such as engineers and medics;
- strategic protection and logistic capacity to get the NZDF where it is needed and to sustain it once there;
- networked-enabled intelligence, surveillance and reconnaissance capabilities to understand and interpret the operational environment; and
- capabilities able to fulfil a credible combat role in support of New Zealand's sovereignty, our obligations to Australia, and in other operations as determined by the Government.

To maximise the effectiveness of NZDF interventions, these mutually-reinforcing capabilities will be embedded in command and control structures which support:

- joint activity between the three Services;
- independent action by New Zealand in certain circumstances;
- interoperability with security partners; and
- responsiveness to whole-of-government requirements.

The core requirement is for a NZDF that is able to meet all reasonably foreseeable contingencies in the South Pacific, add weight to Australia, and support our regional and international obligations as required.

Defence continues to maintain a capability programme. That programme provides the Government's intention for 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 continues to be a key planning document to support the decision-making processes required to shape the future capabilities of the NZDF. The capability programme is in the process of being updated to reflect the outcomes of the White Paper.

A number of key projects are **under acquisition** and when delivered will further enhance NZDF capability:

- C-130 Hercules Life Extension and Self Protection Upgrades: This project will upgrade the avionics, self protection systems and structural refurbishment work on the C-130 Hercules aircraft.
- P-3K Orion Mission Systems Upgrade: This project will upgrade the mission management, communications, and navigation systems for the P-3K Orion aircraft.

- Medium Utility Helicopter Capability: This project will replace the Iroquois helicopter with the NH-90 medium utility helicopter.
- Training/Light Utility Helicopter Capability: This project will replace the Sioux helicopter with the AgustaWestland A-109 helicopter.
- Special Operations Capability: This project is providing new and upgraded equipment to enable the NZDF to better undertake special operations.
- ANZAC Class Close-In Weapon System Upgrade and Refurbishment: This project upgrade is the ANZAC Class frigates last line of defence and protection from anti-ship missiles, strike aircraft and fast inshore attack craft.
- ANZAC Class Platform Systems Upgrade: This project will ensure the ANZAC Class frigates' platform systems (that enable the ships to move, float, generate power, recover from damage and accommodate people) remain viable.
- Defence Command and Control System: This project will introduce into service an upgraded situational awareness or common operating picture system to selected service headquarters, platforms and bases. It will also deliver the infrastructure, hardware and software necessary to implement the Joint Command and Control System across the New Zealand Defence Force.
- Ohakea Base Taxiway Reconstruction: This project will undertake reconstruction work on Ohakea's taxiways prior to the arrival of the new NH-90 medium utility helicopters.
- Ohakea Base Essential Infrastructure Programme: This project will upgrade essential infrastructure at RNZAF base Ohakea.
- Whenuapai Base Upgrade Programme: This project will upgrade essential infrastructure at RNZAF Base Whenuapai.

In combination with the above major capital projects, a number of minor capability programmes and projects are being managed, including:

- Army Engineering Equipment: This project will improve the Army's engineering equipment. Equipment includes combat engineering tractors (under acquisition), gap crossing system (under acquisition), and water purification / storage facilities (introduced into service).
- Combat Service Support Vehicles: This project will provide combat service support vehicles and associated equipment to support the LAVs. This project is in the introduction into service phase.
- Direct Fire Support Weapons: This project will provide the Army with direct fire support weapons inclusive of medium range anti-armour weapons and heavy machine gun (both introduced into service) and automatic grenade launcher and fire control systems (both under acquisition).
- Night Vision Equipment: This rolling replacement programme will provide new and increased quantities of night vision equipment to meet the NZDF's operational and training requirements. Initial acquisitions of new types and additional quantities of current equipment have been introduced into service and subsequent acquisitions are in the development phase.
- NZDF In-Service Weapon Replacement and Upgrade: This programme will replace, upgrade or acquire new small arms-based weapons systems for the NZDF. This programme has projects in the development and acquisition phases.

In addition to the above, the Government has proposed significant capabilities for the next five years. These include a replacement pilot training capability, an ANZAC frigate self-defence upgrade, HMNZS *Endeavour* replacement, Seasprite upgrade or replacement, a rolling renewal of the land transport fleet, a land command and control system, and a replacement littoral warfare support ship.

Significant capabilities proposed for beyond the next five years include replacements for the C-130H Hercules and P-3K2 Orion aircraft, and the ANZAC frigates.

The Government has also recognised a smaller, modernised and upgraded Defence estate, increased investment in routine maintenance, and a NZDF-wide information and communications technology strategic plan. Opportunities for improving the cost-effectiveness of Defence infrastructure through Public Private Partnerships (PPP) have been identified and will be pursued. Although capital investment will be required in the years immediately ahead, the medium-term result will be the reallocation of resources to support front line activities.

Cabinet will be presented with a detailed business case for each significant acquisition before it is finally approved, as required by the Government's Capital Asset Management (CAM) and Gateway processes. This means that Ministers will have various opportunities formally to test the need and composition of each proposed acquisition against the strategic and fiscal context. Given the need for rigorous fiscal management, the capability programme proposed for the next five years and thereafter will need to be carefully prioritised and phased.

NZDF's Capital Intentions

Shaping and Building the NZDF, as in the foregoing paragraphs, has a direct relationship with the *Defence Capability Programme* and infrastructure improvements. It is therefore appropriate to include here the NZDF's capital expenditure appropriations as most of the capital appropriated is channelled into these areas. The NZDF's capital expenditure appropriation for the next four years is shown in the following table:

	2011/12	2012/13	2013/14	2014/15
	\$ million	\$ million	\$ million	\$ million
Defence Capability Programme and infrastructure improvements	600	400	260	260

Note: The above table shows the values as currently *appropriated* – that is, *the upper limits*.

To assist in managing the demands and fluctuations in the NZDF's capital and operating budgets, a modified funding and financial management regime will be introduced. This regime will make clearer the linkages between capital and operating expenditure, including how capital acquisitions impact on operating spending outside the forecast period. It will also improve management and visibility of the overall capability programme over the long term.

The NZDF also provides a Capital Intentions Profile as part of CAM.

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 management. 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 (as at the time of writing under review),
- the Capability Management Framework (CMF)⁹,
- the Operational Preparedness Framework, and
- the Strategic Human Resource 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,
- NZDF Output Plan.

⁹ More detail provided within this Section.

Capability Management Framework

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 will be reviewed to reflect new governance arrangements and management processes identified in the recent White Paper, including the establishment of a Capability Management Board.

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 elements that, together, enable a military capability to achieve an operational effect. The elements that make up military capability are *Preparedness*, and the Force 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, which is encapsulated in the physical components of fighting power.

The physical component of fighting power is the physical means to fight. It has four elements: **P**ersonnel, **E**quipment, **T**rained State and **S**ustainability. The effective combination of these four elements is essential in order for the NZDF to be deployed in good time and sustained to achieve the tasks assigned by the Government.

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.

Holding force elements at lower levels of capability avoids expenditure on some training, manpower and maintenance until such time as it is needed to generate higher levels of performance necessary for particular operational situations.

Nevertheless, reducing the level of training activities to be undertaken in any one year will impact on a force element's readiness for military operations to which it can contribute. Also, any extension to response times incurs an increased activation cost as more activities have to be undertaken to raise the force element from a lower directed level to an operational level of capability. There is also a greater risk that force elements may not be available in time to provide credible military options to the Government. This is particularly important given current international security dynamics, which are characterised by little warning time and uncertainty.

Operational Preparedness

Operational Preparedness Reporting and Evaluation System (OPRES)¹⁰

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 their directed level of capability. OPRES, which is part of the wider Defence Performance Management System (DPMS), is administered by the NZDF's Inspector General and is used by the Defence Force Leadership Board to confirm that preparedness standards – the variable elements of NZDF outputs – are being met.

The system measures the four quality elements contributing to preparedness – personnel, equipment, trained state and sustainability – through numerous key performance indicators. 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 aggregated indicators are reported externally in the NZDF Annual Report.

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.

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

¹⁰ See also "OPRES" under *Measurement of the NZDF's Performance* within Section 4

Risk Management in the NZDF

Effectively managing risk is part of NZDF's culture. This requires all personnel to be aware of the risks relating to the challenges and the pursuit of opportunities in their day-to-day environments.

The Defence Leadership Board knows the importance of understanding risks as both threats and opportunities. By managing opportunities well, we will be in a better position to deliver military capability in support of government outcomes now and in the future.

Risk Management Framework

The NZDF Risk Management Framework requires us to actively manage risk. The framework has risk management as:

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

Our approach includes the identification of strategic risks and their associated treatments in our Strategic Objective Risk Profile.

Strategic Objective Risk Profile

NZDF's Strategic Objective Risk Profile (SORP):

- identifies current and emerging risks to the successful achievement of the NZDF strategic objectives;
- prioritises the risks and provides an overview of key treatments in place or planned to address unacceptable risks; and
- recognises and explores opportunities identified through the management of strategic risk.

Specific Risks to NZDF Objectives

The NZDF is exposed to a wide range of risks. Examples of the significant risks include:

- Failure to realise the full benefits of major change initiatives resulting in insufficient resources to deliver on agreed outputs or to support future capability requirements; and
- An inability to attract and retain key personnel.

Risk Treatments

Risks to our strategic and operational objectives are treated in the first instance by:

- appropriate operational processes in response to strategic risks,
- the existing control environment in the case of operational risks; and
- appropriate treatment activities that are developed and implemented where insufficient control is identified.

Section 7: Organisational Health and Capability

Personnel

As at 1 April 2011, the core capability of the NZDF comprised 9,782 Regular Force, 2,415 Reserve Force, and 2,502 civilian staff members across the armed services of Navy, Army and Air Force, operating as **Three Services - One Force**. The NZDF is an organisation founded on an ethic of service to our country and the values of courage, commitment, comradeship and integrity, all built around doctrine, leadership, learning and discipline. NZDF personnel are currently deployed on numerous operations, UN missions and defence exercises around the world, in places such as Antarctica, Afghanistan, Timor-Leste, Solomon Islands, and Sudan. Personnel are also deployed around New Zealand, helping to keep it secure.

As a small, but heavily deployed force, the NZDF will strive to be optimally configured to deliver on government policy. In particular, this means improving the ratio between front line personnel and those in the middle and back. It also means making sure that it has the right balance between full and part-time military personnel, and between uniformed personnel and civilians.

The NZDF has adopted the 'Total Defence Workforce' concept as a new way to manage personnel flows and improve organisational performance. Any person in the NZDF (whether uniformed or civilian, full or part-time) will be able to apply for any non-operational position, with the essential determinants for selection being competencies and availability. The aim will be to ensure the best match of position to skills, regardless of where those skills come from.

The NZDF will also fill a greater number of corporate roles with civilians, who can often provide specialist organisational skills at a lower cost. This will free up uniformed personnel to fill more front-line military positions. This will also underpin the modernisation of the Reserve Force, focusing more on the skills required than on numbers. The NZDF will also make it easier for personnel to exit and re-engage.

In relation to training, the NZDF will target a 10% reduction in cost and other related operating expenditure, with savings being redistributed to operational roles. To reduce time spent on training, the NZDF will increase the use of simulators and 'e-learning'.

The NZDF will also work closely with the State Services Commission and Treasury to ensure that NZDF remuneration strategies and actions are integrated into the Total Defence Workforce approach and are consistent with best practice in the state sector.

Organisation

To ensure the NZDF and the MoD work together effectively, and government savings targets are met, the management structure of the NZDF will be strengthened.

The expertise of the NZDF Leadership Board will be broadened with the establishment of a new civilian post of Chief Operating Officer, who will drive the reforms needed to redistribute existing resources to front-line capability. Steps will also be taken to provide CDF with improved performance management information.

Performance expectations relating to military leadership and the effective management of the NZDF will be set for CDF, including achieving the resource redistribution targets set out in the recent White Paper. The SSC Commissioner will assist the Minister in the evaluation and management of the CDF's performance.

In future, the CDF will appoint the Service Chiefs, in consultation with the Minister of Defence. Cabinet will be advised of the CDF's intended appointment and could exercise a right of veto if it so determined.

A Joint Management Board will be established to exercise joint authority and accountability for those functions designated as 'joint', supplemented by the expertise of independent members from outside Defence. Reciprocal access to information between the MoD and the NZDF will be mandated to ensure that Defence policy advice is a coherent and seamless reflection of all the relevant material which is available between the two organisations.

External contributions to Defence's business will be provided through a new independent Defence Advisory Board to be appointed by the Minister of Defence.

Infrastructure

The NZDF will broaden and accelerate the process of estate rationalisation, which is already underway. The greatest potential benefits are likely to come from bringing together Air Force and Army activities at a single Manawatu 'hub' centred on the Ohakea Air Force base. A business case will be developed to advance this option. The NZDF will also explore the scope for extending the hub concept to Auckland, Wellington and Canterbury, with redundant sites similarly rationalised or disposed of.

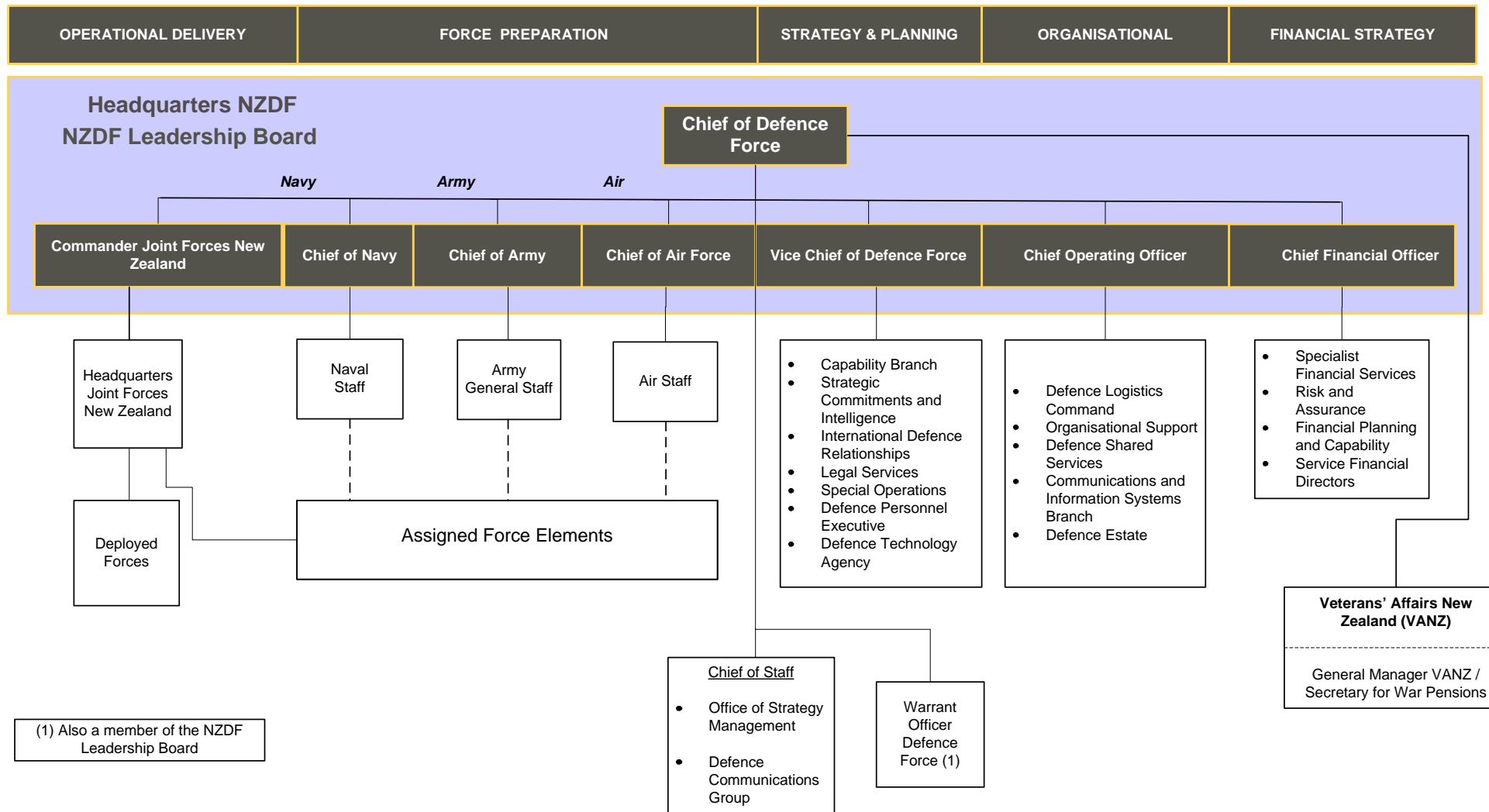
Activities currently undertaken at Burnham, Trentham, Waiouru, Tekapo, and Woodbourne will also be examined to see if they can be delivered more efficiently from rationalised bases. Major land training and exercise areas will be retained, but permanent personnel may be relocated.

While some of the 2,500 houses still owned by the NZDF will be retained for operational purposes, others will be reviewed for disposal. A five-year Defence rationalisation programme will be developed to manage Defence housing.

The NZDF has already moved to consolidate its property management functions. The case for outsourcing some or all of these functions will be considered, and a Defence Estate Strategic Plan will be completed.

Financial resources will be increased for the maintenance of information and communications technology (ICT). A capital investment programme, with appropriate risk reduction strategies, will be initiated to ensure ICT infrastructure is refreshed and updated. Work is continuing on an Enterprise Information System Programme to explore the options for implementing improved information systems and processes to meet White Paper goals.

NZDF HIGH LEVEL FUNCTIONAL ORGANISATION as at 1 April 2011



Personnel Statistics

NZDF personnel statistics, as at 1 April 2011, are shown in the following table:

	Regular	Reserves	Total
Navy	2,166	333	2,499
Army	5,027	1,900	6,927
Air Force	2,589	182	2,771
Total	9,782	2,415	12,197

Notes:

(1) All regular and reserve force numbers reported on this page are headcounts.

(2) The median length of current regular force service is 5.56 years.

	Regular	Reserves	Total
HQ NZDF	294 ⁽³⁾	3 ⁽³⁾	297 ⁽³⁾
HQ JFNZ	175 ⁽⁴⁾	0 ⁽⁴⁾	175 ⁽⁴⁾
Defence Support Group	59 ⁽⁵⁾	2 ⁽⁵⁾	61 ⁽⁵⁾
Defence Logistics Command	839 ⁽⁶⁾	4 ⁽⁶⁾	843 ⁽⁶⁾
Defence Personnel Executive	540 ⁽⁷⁾	49 ⁽⁷⁾	589 ⁽⁷⁾

Notes:

(3) HQ NZDF military personnel (regular and reserve) are already counted within Service totals.

(4) HQ JFNZ military personnel (regular and reserve) are already counted within Service totals.

(5) Defence Support Group military personnel (regular and reserve) are already counted within Service totals.

(6) Defence Logistics Command military personnel (regular and reserve) are already counted within Service totals.

(7) Defence Personnel Executive military personnel (regular and reserve) are already counted within Service totals

	Civil Staff ⁽⁸⁾
Navy	188
Army	496
Air Force	243
HQ NZDF	428 ⁽⁹⁾
HQ JFNZ	32 ⁽¹⁰⁾
Defence Support Group	547 ⁽¹¹⁾
Defence Logistics Command	339
Defence Personnel Executive	229
Total	2,502

Notes:

(8) All civil staff numbers reported on this page are full time equivalents.

(9) HQ NZDF civil staff total includes Veterans' Affairs New Zealand and *Locally Employed Civilians* (LECs) overseas.

(10) HQ JFNZ civil staff total includes civil staff deployed overseas

(11) Defence Support Group civil staff total includes the Defence Technology Agency.

Section 8

*Statement of
Intent
2011 - 2014*

*Veterans' Affairs
New Zealand
Te Tira Ahu Ika A Whiro*

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Foreword: Minister of Veterans' Affairs

The identification of veterans as a specific group within New Zealand society is an acknowledgement of their role as defenders of peace, freedom and our way of life.

Veterans' Affairs New Zealand serves veterans by honouring their service and sacrifice, and being responsive to their changing needs.

Much progress has been made in improving the delivery of services to veterans, with a particular emphasis on improving turn around times on War Disablement Pensions and ensuring veterans are well informed about what assistance is available to them.

The Case Management in the Community initiative enables veterans to meet with dedicated case managers and discuss issues and concerns. It allows case managers to build a strong relationship with veterans and to better meet their individual needs.

A key objective is to ensure that the structures are in place to deliver a high standard of service to a changing veteran population.

Veterans of World War Two and other conflicts of that era have very different requirements to veterans of more recent deployments. The provision of modern legislation to support service delivery to these diverse groups is a priority.

It is important that the memory of our veterans is preserved and celebrated. Work is well advanced by VANZ and other agencies on several significant commemorative events, most notably the Centenary of the Gallipoli Landings in 2015 and the 60th anniversary of the Korean War Armistice in 2013.

It is important that veterans are able to express their views directly to government. I will continue to work with veterans and their representative organisations on matters affecting veterans.



Hon Judith Collins
Minister of Veterans' Affairs

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 key priorities are 'Building a Strong Economy' and 'Building Better Results from Public Services.'

The priority that impacts on Vote Veterans' Affairs – Defence Force is:

- Building Better Results from the Public Services.

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.

The Minister of Veterans' Affairs Key Priorities

Review of the War Pensions Act 1954

The Law Commission report 'A New Support Scheme for Veterans' was tabled in June 2010. There were 170 recommendations in the Law Commission's report recommending significant changes to the New Zealand scheme of support for veterans. These changes recommended substantial modification to the basis on the way in which the support provided to veterans is funded and managed.

The Law Commission recommended new legislation with two distinct schemes to be introduced. Scheme One would be a replacement for the current War Pensions Act 1954 and would have a similar framework. It would apply to personnel with service prior to 1 April 1974 and would retain the tax exempt periodic pensions. Scheme Two would apply to personnel with service post 1974 and would interface with ACC.

Improved Service Delivery – Strengthening Case Management in the Community

In 2009, a new initiative 'Case Management in the Community' was introduced to support service delivery. Veterans' Affairs New Zealand will now undertake an assessment of the effectiveness of this activity and identify areas for further improvement.

Significant Commemorations

The 2010 commemorations to mark the 95th anniversary at Gallipoli were used as a dress rehearsal for the centenary in 2015. Officials have reviewed the 2010 event to ensure that the lessons learnt from 2010 can be addressed in the planning for 2012 to 2014 so that the planning for 2015 event reflects this experience.

2014 – 2018 marks the centenary of World War One. The Ministry for Culture and Heritage has established an interdepartmental steering committee to coordinate New Zealand based events to commemorate the centenary of World War One.

Veterans' Affairs New Zealand is part of this steering group. The centenary of the Gallipoli Landings, at Gallipoli, will be part of the broader commemoration.

In order to raise the profile of the Battle of Passchendaele, the Minister intends to run an annual competition for students to mark this battle and raise awareness of its significance.

Another significant commemoration in 2013 is the 60th anniversary of the Korean War Armistice. Given the age of the remaining Korean War veterans, this will be marked with New Zealand based events.

Outcomes

In order to ensure the government expectations for the delivery of services to veterans are 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 is monitored and they have information about, and access to, services and support 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.

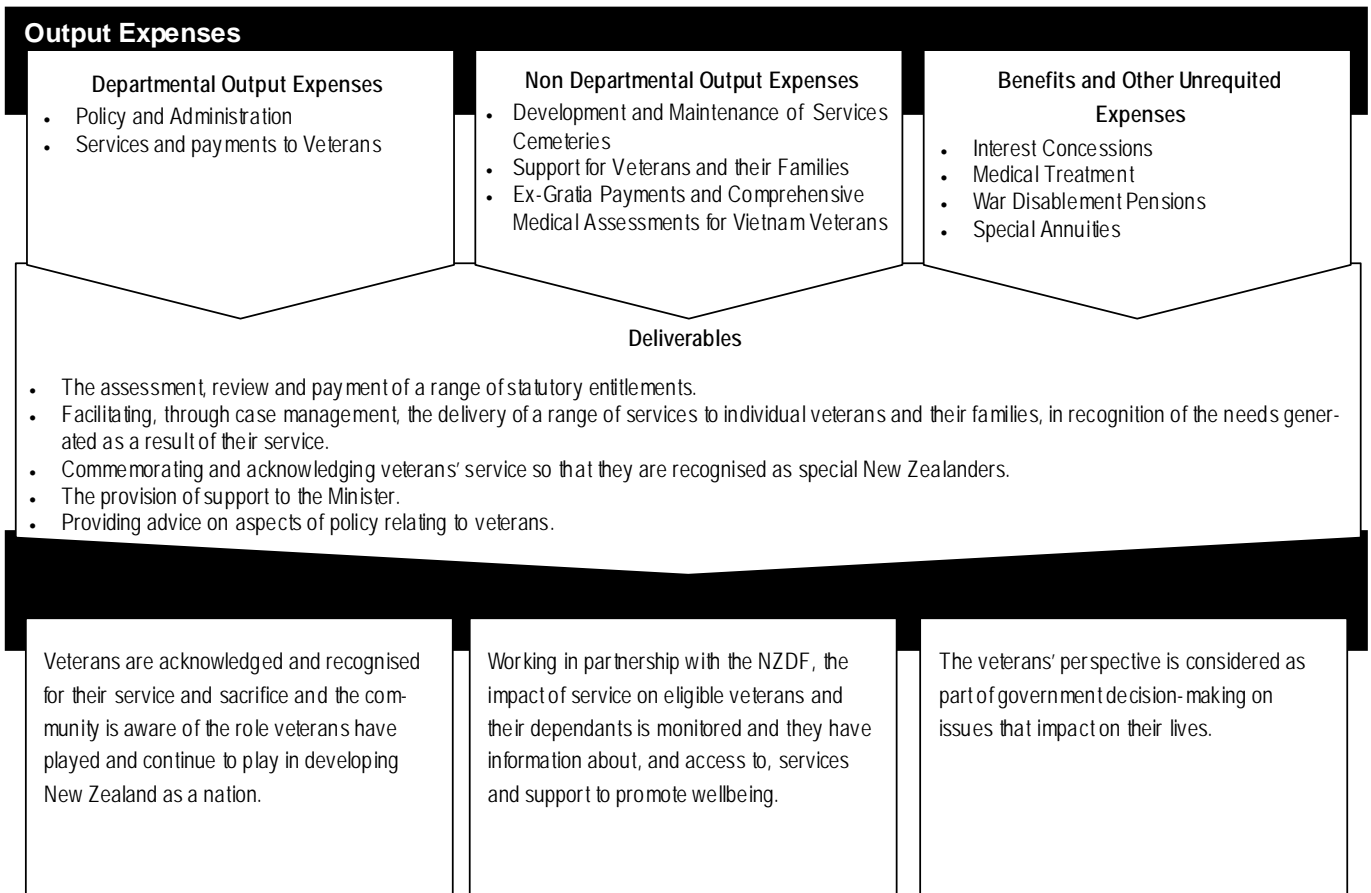
The role of New Zealand as an international citizen has evolved, and as a consequence, the role the military plays in support of the Government's foreign policy direction has evolved and ranges from warrior to peacemaker and peacekeeper.

Veterans' Affairs New Zealand has working relationships with veterans' administrations in other countries and is able to share information and learn from their 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 – Honouring Service

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 acknowledgement and recognition of the service and sacrifice that veterans have made by:

- Effectively coordinating the New Zealand Government's participation in key commemorations.
- Providing veterans with support to enable them to participate in the commemoration of significant events related to their service.
- Providing support to Cemetery Authorities to ensure that Services Cemeteries are maintained in perpetuity.

How will we demonstrate success in achieving this?

This will be demonstrated when:

- Commemorations are co-ordinated in a way that ensures that they meet the intent of the commemoration and are undertaken within budget.
- The grants made through the Ministers Commemorations Discretionary Fund are administered in accordance with the funds' guidelines, ensuring equality of access to eligible veterans.
- Veterans who wish to be interred in a services cemetery will be able to do so.
- Services cemeteries will be maintained in a way that recognises the value to the community of the service of the veterans buried there. This will be a cooperative venture between Veterans' Affairs New Zealand and local communities.

What will we do to achieve this

The management and administration of the commemorations programme, which includes:

- The co-ordination of the yearly participation in the Anzac Day commemorations at Gallipoli.
- Planning for the centennial commemoration of the Gallipoli Landings in 2015.
- Planning for the 60th anniversary of the end of the Korean War in 2013.
- The introduction of an annual essay competition for Year 13 students focused on the Battle of Passchendaele.
- The provision of grants to veterans to enable them to attend commemorations through the Minister's Commemorations Discretionary Fund.
- The ongoing provision of veterans' certificates of appreciation.

Reviewing the services we provide in the Memorials and Cemeteries area:

- Undertaking a survey of our service delivery relationship with local authorities, installers and funeral directors.

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 – Listening to Veterans

Working in partnership with the NZDF, the impact of service on eligible veterans and their dependants is monitored and they have information about, and access to, services and support to promote wellbeing.

What are we seeking to achieve

Ensuring that veterans have access to services and support when they require them by:

- Providing accurate information to veterans to ensure that they are aware of the services and support available and have a clear understanding of the processes involved in accessing assistance.
- Taking a proactive approach to service delivery.

How will we demonstrate success in achieving this?

This will be demonstrated when:

- Veterans have a clear understanding of the services and support available to them and their families from the information provided by Veterans' Affairs New Zealand. This includes:
 - the explanations of the services and support available to veterans and their families provided by the Veterans' Affairs New Zealand staff; and
 - the written information that explains the services and support available to veterans and their families.
- The system in place for ongoing assessment of veterans' needs matches the services and support provided to the veterans with the needs they have at the various stages of their lives.
- Entitlements co-ordinated by Veterans' Affairs New Zealand are delivered as a seamless service across all agencies involved.
- Veterans and their families will be involved in planning, monitoring and evaluating the services put in place for them and will feel empowered and able to take responsibility for managing the issues impacting on their quality of life.

What will we do to achieve this?

Ensure that the communication mechanisms used are appropriate and reach all veterans. This includes:

- Evaluating the effectiveness of the Case Management in the Community initiative. The evaluation will focus on ensuring that Case Management in the Community is reaching the intended audience and on assessing its effectiveness in disseminating information. The evaluation will also identify any improvements that are required.
- Ensuring staff maintain an up-to-date knowledge of all the publicly funded services and support available to veterans and their families.
- Continuing to review printed material to make sure it remains relevant and develop new publications on specific issues.
- Investigating the use of social media and other ways of disseminating information to younger veterans.
- Surveying veterans' understanding of entitlements to evaluate the effectiveness of communication.
- Ensuring that the primary level decision-making is clear and consistent and that veterans understand the processes and how they apply to them.

Ensure that service delivery is responsive to the needs of veterans. This includes:

- Monitoring the use of needs assessment tools to ensure that the services provided are matched to need.
- Continued monitoring of the effectiveness and efficiency of service delivery to ensure that services are delivered in a timely manner and to the specification required.
- Monitoring the use of needs assessment to ensure the efficiency of service delivery to ensure that services are delivered in a timely manner and to the specification required.
- Establishing mechanisms for veterans to register on line to allow Veterans' Affairs New Zealand to maintain contact and to form information on cohorts and to enable the monitoring of their ongoing health and wellbeing.

Links to Outputs

This outcome links to Outputs:

- Policy and Administration
- Services and Payments to Veterans
- Support for Veterans and their Families

Outcome Three – Recognising Service

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

What are we seeking to achieve

The provision of quality, evidence based advice on veterans' issues.

The collection of quality data on the veteran population that can be used to inform policy, including:

- accurate data on the veteran demographic; and
- accurate information about the risks faced by veterans of various deployments so that long and short term impacts of service can be planned for.

How will we demonstrate success in achieving this?

This will be demonstrated through the development of policy proposals that reflect the needs of the whole veteran community.

Veterans' Affairs New Zealand is consulted over policies put forward by other agencies that have the potential to impact on the veteran community.

Veterans' Affairs New Zealand has mechanisms in place to collect demographic data about the veteran population.

Veterans' Affairs New Zealand has mechanisms in place to obtain information from NZDF about the risks associated with various deployments.

What will we do to achieve this?

The development of new legislation to replace the War Pensions Act 1954.

Developing effective working relationships with agencies involved in the provision of policy and services that impact on the veteran community.

Taking an active part in the Veterans' Administrations Senior Officials Forum and Networks in order to obtain information on international trends in the provision of services to veterans.

Establishing an ongoing mechanism for collecting key information. This includes:

- establishing a database that gives a background to deployments, the threat assessment and the number deployed; and
- completing the implementation of the new IT system for case management and the payment of War Disablement Pensions. This will improve the quality of existing data.

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 will come to describe 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 occur over the next three to five years. 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 20 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 and 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 health and 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 a 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 minimised 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.

Key Risks	Risk Management Strategies
Service documents, personnel and medical, held by the New Zealand Defence Force are destroyed.	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.
War Pension files are lost or destroyed.	Veterans' Affairs New Zealand is looking at systems for establishing electronic copies of the files is put in place.

Key Risks	Risk Management Strategies
<p>Unable to achieve outcomes due to the constraints on resourcing created by the size of the organisation.</p>	<p>Veterans' Affairs New Zealand will set clear expectations around the results required to be achieved and will ensure that priority projects can be staffed effectively.</p> <p>Resourcing will be monitored to ensure that it is used effectively, and where required, additional resourcing sought.</p>
<p>Service delivery fails to meet the needs of a veteran or their family, which results in significant consequences to Veterans' Affairs New Zealand and, or the veteran.</p>	<p>Systems will be put in place to monitor service delivery and to ensure that service meets expectations. Mechanisms will be put in place to address issues that arise from any service delivery failure.</p>
<p>The purchaser provider division in the service delivery model becomes indistinct and veterans start to view Veterans' Affairs New Zealand as a health provider as opposed to a purchaser.</p>	<p>Systems will be put in place to monitor service delivery and to ensure that the role of Veterans' Affairs New Zealand is clearly explained.</p> <p>Case Managers' training will include a clear explanation of the difference between purchaser and provider.</p>

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 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.