THE 2015–2018

STATEMENT
OF INTENT

Published on the New Zealand Defence Force Internet website pursuant to Section 39(1) of the Public Finance Act 1989
This Statement of Intent covers the period FY 2015/16 to FY 2018/19.

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Based on work completed over the last year, I am confident with Defence in its direction, and in particular its alignment with government priorities. The 2013 Defence Mid-point Rebalancing Review established clear understanding around the costs of Defence capabilities, and gave us a pathway to deliver efficiently on the expectations of the 2010 Defence White Paper. The 2014 Defence Capability Plan also supports the review by providing a strong platform for bringing into service new and upgraded equipment programmes.

Budget 2015 identified $264 million in new operating funding for our Defence Force. New operating funding of $192 million over four years for the New Zealand Defence Force continues the Government’s commitment to deliver long-term funding certainty to our armed forces. This will allow the Defence Force to continue to maintain and improve its current mix of capabilities and sustain moderate growth of its uniformed people.

The Government has also recently announced significant capability enhancements and international commitments, including:

- Extension of NZDF commitment to Afghanistan;
- Approval of NZDF training mission to Iraq;
- Resumption of defence ties with Fiji;
- Extension of P3 Orion in the Gulf;
- The acceptance of eleven new Beechcraft T-6C Texan II pilot training aircraft for the Royal New Zealand Air Force;
- The delivery of upgraded Seasprite helicopters;
- Introduction into service of 200 medium-heavy vehicles; and
- Considering options for the replacement of the Navy’s tanker and the NZDF’s airlift capability.

Overall, organisational capability within the Defence Force is strong. The Regular Force attrition rate is around 8%, and Defence Force morale has trended upwards consistently over the last three years.

The Government has also announced the commencement of the Defence White Paper 2015. The White Paper, which is intended to be published before the end of the year, will be the blueprint for how the Government plans to address the security threats, challenges and opportunities facing New Zealand over the next 25 years.

It will outline the roles and tasks that the Defence Force should undertake in responding to these challenges, as well as the capabilities and resources it needs to carry out its roles and tasks effectively.

The White Paper has implications for all New Zealanders. It’s not just about what capabilities we buy, it’s about how we look after and advance our national interests.

As shown in this Statement of Intent, Defence’s approach to this challenge will call upon all elements of the organisation to integrate their efforts more fully, will leverage off government’s investment and centralisation themes, and will maintain a focus on increased efficiencies and productivity gains.

I am confident that with strong leadership and a Defence Force made up of dedicated and committed people, that this Statement of Intent will be delivered.

Hon Gerry Brownlee
Minister of Defence
The Veterans’ Support Act, which came into force on 7 December 2014, gives Veterans’ Affairs the ability to provide new types of entitlements and support for veterans and their families. Implementation of this legislation over the next five years will see the introduction of rehabilitation services, new administrative and decision-making tools, and changes to entitlements to better fit the modern day veteran and their family’s needs.

The contribution our service people have made and continue to make to protect our way of life is recognised and honoured. The role their families play in supporting their service is also recognised.

In time, Veterans’ Affairs will take a broader approach to the assistance it provides. It will focus not just on service-related health care needs, but take into account veterans’ social and work needs as well. This means looking at social and vocational rehabilitation for current and former servicemen and women, looking at better ways to support them to live independently and helping them remain in or return to employment, if possible.

I have agreed the following priorities for the Veterans’ Affairs portfolio:

- Honour our Veterans. This will encompass WW100 commemorations, maintaining Services cemeteries, and commemorations for the 50th anniversary of the Battle of Long Tan in Viet Nam.

- Successfully implement the Veterans’ Support Act.

- Veterans’ Pension and Travel Assistance – index the mileage allowance and increase travel assistance available to veterans to commemorate their service.

- Seamless integration between Veterans’ Affairs and the wider Defence Force. Ensure Veterans’ Affairs is well integrated into the New Zealand Defence Force and leveraging off NZDF support and information so that it can focus its core business on support and services for veterans and their families.

- Support and build relationships between veterans and their respective organisations and the government.

It is fitting that in this First World War centenary period we focus on those who have served our nation in times of war and emergency, and how we serve them and their families.

Lest we forget.

Hon Craig Foss
Minister of Veterans’ Affairs
INTRODUCTION: CHIEF OF DEFENCE FORCE

The New Zealand Defence Force is a Force for New Zealand. Our purpose is to provide the government-of-the-day with credible and effective options to deliver an armed response when New Zealand’s interests are at stake. So first and foremost, we are a Force prepared for combat. This is our raison d’être.

But we also understand that lasting solutions to the causes of conflict don’t come from military action alone. We work with partners in government and abroad to understand and address the causes and impact of threats to stability and security. We know that being a force for good means we need to be able to act with understanding and restraint.

We work supporting a range of other government agencies in tasks that matter to New Zealanders. These include reacting to natural disasters; participating in search and rescue; protecting our ocean resources; supporting conservation efforts; countering terrorism; deterring unwelcome intrusions; and protecting our trading routes.

The 2015 Performance Improvement Framework Review has supported our understanding of the organisational improvements that will enable us to deliver increased value to the government.

In addition, we accept responsibility for delivery of a range of support to our veteran community, and we assist government in its goals to boost skills and employment leading to more productive communities by sharing our leadership and development skills in a range of youth development programmes.

These are the many ways that the New Zealand Defence Force is directly contributing to the defence, security and well-being of Aotearoa/New Zealand.

But we know as an organisation we cannot stand still. We must constantly balance today’s needs to be delivering on a range of missions, with being ready for tomorrow, and the next challenge to peace, stability and global order – the conditions our small trading nation requires to be successful. We must constantly show the value that Defence adds to New Zealand’s security.

So we are striving as a Defence Force to work smarter and it is our purpose to continuously find ways to be better at what we do. As a Defence Force we need to become more effective at combat operations. As an organisation we need to continually challenge ourselves to achieve greater efficiency.

To ensure we are actively adapting and planning for the future we have set a long-term strategy that has at its heart three time specified goals: creation of the Joint Task Force by 2015; Enhanced Combat Capability by 2020, and being An Integrated Defence Force by 2035.

So our focus now shifts to 2020, and the actions and investment required to achieve our four year excellence horizon. This is the focus of this Statement of Intent and supporting strategies, especially the 2014 Defence Capability Plan. Because of those actions and investments, in 2020 our Force for New Zealand will be better prepared for the future. We will be stronger as individuals, and stronger as a team.

T.J. Keating
Lieutenant General
Chief of Defence Force
Ministerial Statement of Responsibility

I am satisfied that the information on strategic intentions prepared by the New Zealand Defence Force is consistent with the policies and performance expectations of the Government.

Hon Gerry Brownlee
Minister of Defence
10 August 2015

Chief of Defence Force Statement of Responsibility

In signing this information, I acknowledge that I am responsible for the information on strategic intentions for the New Zealand Defence Force, including Veterans’ Affairs. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.

T.J. Keating
Lieutenant General
Chief of Defence Force
29 July 2015
NATURE AND SCOPE

This section explains the purpose of the Defence Force, including Veterans’ Affairs and respective legislation. The functions of the Defence Force are mandated by the Defence Act 1990 and the Veterans’ Affairs Act 1999.
NATURE AND SCOPE OF DEFENCE FORCE FUNCTIONS

The New Zealand Defence Force comprises 14,000 uniformed and civilian members in the regular and reserve forces. They conduct a range of duties to support New Zealand’s security under current circumstances and provide the government with a variety of response options for future contingencies.

Protecting and Securing New Zealand’s Interests

The primary mission of the Defence Force is to secure New Zealand against external threat, to protect our sovereign interests, including in the Exclusive Economic Zone, and to be able to take action to meet likely contingencies in our strategic area of interest.

The Government’s contingent military capabilities are held for unforeseen emergencies or to reinforce existing operations. This could include New Zealand contributions to multinational operations or United Nations’ mandated missions, however, the forces are held principally to allow the Defence Force to respond to security events in which New Zealand acts alone to protect national interests.

The Chief of Defence Force is the Government’s principal military adviser and is responsible for the conduct of the military operations. Under CDF’s command, the Armed Forces provide the Government with the option to exert such influence and is dependent on maintaining a balanced, credible conventional military capability, at readiness levels consistent with the Government’s direction.

The raising and maintaining of New Zealand’s Armed Forces is covered by the Defence Act 1990. The Defence Force is under the control of the Minister of Defence, who exercises power through the Chief of Defence Force.

Supporting Veterans

The nation has an obligation to serve those who have served us. Our support for those Servicemen and Servicewomen is the responsibility of Veterans’ Affairs; an operational unit of the Defence Force. Veterans’ Affairs provides veterans and their families with professional services that recognise our veterans’ service to the nation, their sacrifices, their diversity, and their individual needs.

The specific functions and duties of Veterans’ Affairs are set in statute under the Veterans’ Affairs Act 1999. The role of this office is to ensure that veterans are able to access the services they need to support them in their everyday lives. Veterans’ Affairs manages government’s relationship with veterans and their representative organisations, advises on policy relating to veterans and facilitates veterans’ access to pensions and other services.
STRATEGIC DIRECTION

This section explains Defence Force strategic direction and strategy.
GOVERNMENT’S DIRECTION TO THE DEFENCE FORCE

The Government provides direction to the Defence Force in a number of forms. This direction covers the capabilities that Defence is to maintain; regular activities that government expects of Defence; the capacity to respond to contingencies; the manner in which the organisation is to be managed; and what changes are expected for the future. The overarching direction relevant to this Statement of Intent is as follows:

**Defence White Paper**

The 2010 Defence White Paper details the national security interests that Defence is required to contribute to. It outlines the strategic outlook to 2035, and directs the tasks and capabilities that are expected of Defence. Some aspects of organisational change, including people capability, infrastructure, affordability and organisational reform are also addressed. Following the completion of a Defence Assessment in December 2014, there will be an updated Defence White Paper in 2015, refreshing the government’s direction to Defence. The 2016 Four-Year Plan will reflect any adjustments necessary to the Defence Force to deliver on these new settings.

**Defence Mid-Point Rebalancing Review**

In 2013 the Defence Mid-point Rebalancing Review confirmed the capability sets required to deliver on the policy set out in the 2010 Defence White Paper, and indicative funding required to deliver those capability sets out to 2035. This work produced an indicative funding stream to meet those requirements. Defence Force progress on the delivery of the review is reported quarterly. Much of the work in this Statement of Intent, particularly the Defence Capability Plan, strategic financial planning, and workforce plans, is associated with delivery of the agreed outputs of the review, and ensure organisational alignment to this refreshed government intent.

**Performance Improvement Framework Review 2015**

In 2015, the State Services Commission will deliver the first Performance Improvement Framework Review for Defence. It will outline the expectations around organisational change and efficiency over the next four years. Relevant focus areas identified in the draft Review have been incorporated into this Statement of Intent, and the agency response to the Review will identify how the Defence Force intends to address improvements across the organisation.

**Modernisation of War Pensions Act 1954**

In December 2014, the Veterans Support Act changed the way that veterans will be supported. Implementation of this legislation over the next five years will see the introduction of rehabilitation services, new administrative and decision-making tools, and changes to entitlements to better fit the modern day veteran and their families needs.

The Minister of Veterans’ Affairs has outlined five priorities for the coming three-year period:

- Honour our Veterans. This will include WW100 commemorations, maintaining Services cemeteries, and commemorations for the 50th anniversary of the Battle of Long Tan in Viet Nam.
- Successfully implement the Veterans’ Support Act.
- Veterans’ Pension and Travel Assistance – index the mileage allowance and increase travel assistance available to veterans to commemorate their service.
- Seamless integration between Veterans’ Affairs and the wider Defence Force. Ensure Veterans’ Affairs is well integrated into the New Zealand Defence Force and leveraging off NZDF support and information so that it can focus its core business on support and services for veterans and their families.
- Support and build relationships between veterans and their respective organisations and the government.

As well as Defence-specific guidance, the New Zealand Defence Force draws on wider policy and Cabinet direction around issues such as health and safety, Defence Estate Recapitalisation, Government Information and Communications Technology Strategy, and National Commemorations Policy. These are reflected in the relevant parts of this Statement of Intent.
DEFENCE FORCE STRATEGY

While delivering on today’s priorities, the Defence Force must ensure that it is well trained, well equipped, and ready to serve future governments in what may be a different and more challenging security environment. The Defence Force strategy, Future 35, sets out a vision for the modernisation of the Defence Force, building on the Government’s Defence policy goals as set out in the 2010 White Paper.

Future 35 is reviewed on a regular basis to ensure that it continues to meet the needs of the Government and New Zealanders. As the Defence Force engages with the 2015 Defence White Paper, it will consider the most appropriate way to review this strategy in line with any changes in government direction.

As each component of the Future 35 strategy is implemented, investment processes (in particular the Capability Management Framework, incorporating all elements of the Government’s Capital Asset Management requirements and the Better Business Case model) will facilitate a more detailed examination of the ways that we go about achieving this end-state, ensuring that we are achieving efficiencies while ensuring future effectiveness.

Future 35 articulates three time-bound strategic end-states out to 2035. This Statement of Intent will focus on the changes that need to occur between the demonstration of Joint Task Force Capability in 2015 and the delivery of Enhanced Combat Capability in 2020.

CURRENT STATE: 2015 – THE JOINT TASK FORCE

The focus of capability development to 2015 has been on orienting Navy, Army and Air Force units and capabilities into a Joint Task Force construct. This structure capitalises on the unique capabilities of each force element and provides the flexibility to tailor the size and makeup of an expeditionary military force to accomplish specific tasks in peace, crisis and war. Most Joint Task Forces have in recent years and will continue to operate in what is described as a Joint, Interagency, and Multinational operating environment. Implementation of the Joint Task Force concept has included the introduction of amphibious capability, centred on HMNZS Canterbury.

The Joint Task Force construct is supported by joint culture, structures, and processes established across the Defence Force. Integration of the three Services in selected areas allows Defence to achieve magnified effectiveness in the operational environment, and greater efficiencies throughout the organisation. Joint enablers, training, and exercises will continue to support the growth of the Defence Force through to 2020.

Delivery of a Joint Task Force in a real-world operation was demonstrated in the Defence Force response to Tropical Cyclone Pam in Vanuatu in early 2015. Air, land and maritime assets successfully combined to provide a joint humanitarian and disaster relief response. The Joint Task Force construct will be further tested during Exercise Southern Katipo in the second half of 2015.
FUTURE STATE: 2020 – ENHANCED COMBAT CAPABILITY

Noting that this Statement of Intent covers the period to 2018/2019, much of the language and initiatives will reflect the 2020 goal. In order to achieve enhanced combat capability by 2020, all supporting initiatives will have to be either complete or under way by 2018/2019. This will also align with the Performance Improvement Framework Four-Year Excellence Horizon, which in 2015 will envision the New Zealand Defence Force of 2020.

Enhanced Combat Capability is the next milestone for the Future 35 strategy. This phase of the strategy will see the delivery of a range of initiatives and investments that will enhance the way in which we deliver contingent and relevant military capabilities over the next five years. Importantly, this milestone is about more than just investment in equipment, it is personally relevant to every soldier, sailor, airman, and airwoman, as it also emphasises the investments made in our people and processes: in the tools we give them, in the support they have, in their understanding, and in the way they work together.


BETTER TOOLS

We are equipping our people with the tools that they need to operate now and in the future.

This requires investment in credible combat capabilities that can operate in a range of threat environments and work with our coalition partners. It means the right training and personal equipment for everyone. And it needs a constant drive to explore better ways of delivering on our mission.

THE RIGHT KIT

You’re equipped with a range of tools that work better together so you can get the job done when you are on the frontline, wherever that might be.

NEW PERSONAL WEAPONS • INTEGRATED SOLDIER SYSTEMS • NETWORK ENABLED UNITS

COMBAT READY PLATFORMS

We are keeping our combat platforms relevant to future threats with the integration of new and upgraded platforms that we can take anywhere.

NH-90 • FRIGATE SYSTEMS UPGRADE • LAV REFRESH

MODERN TRAINING

To train as we intend to fight we need to take advantage of new technology. Our mix of live and synthetic training tools will ensure our people have the skills to deliver on our mission.

NAVY SEAMANSHIP TRAINER & BRIDGE SIMULATOR • PILOT SIMULATOR TRAINING • SPECIAL FORCES BATTLE TRAINING • SYNTHETIC INTEGRATION OF SIMULATORS

A BETTER WAY

We’re introducing world-class tools for managing process improvement and taking advantage of new technology, so together we can make practical differences to the way we do things everyday.

LEAN SIX SIGMA TRAINING • DEFENCE TECHNOLOGY AGENCY
**BETTER SUPPORT**

The skills, energy and talent of our people are what makes the things we do possible.

When we provide the right support, we make our people and our teams even stronger so they can focus on getting the job done. Support starts with you and your family, then extends to your professional growth throughout your career. It also means we have your back when you deploy, and as a veteran of deployment.

**PERSONAL SUPPORT**

When we support our people and our families, we improve the performance and resilience of our teams.

*FORCE FOR FAMILIES • DEFENCE HEALTH STRATEGY • MENTAL HEALTH STRATEGY*

**PROFESSIONAL GROWTH**

When you commit to our shared mission, we understand that you will also have individual career aspirations. We will support you with the right learning and development opportunities at every stage along the way.

*LEADERSHIP DEVELOPMENT SYSTEM • DEFENCE PROFESSIONAL DEVELOPMENT FRAMEWORK • LEARNING TOOLKIT*

**WE’VE GOT YOUR BACK**

We will make sure that those who step into harms way are ready. We will provide a safe environment at home, and have the right system in place when you are abroad.

*RESILIENCE TRAINING • STRATEGIC AERIAL MEDICAL EVACUATION CAPABILITY • HEALTH AND SAFETY*

**VETERAN SUPPORT**

Our veterans are changing, and our support needs to change too. We will ensure the service of all our veterans is understood and honoured by the Defence Force and New Zealand.

*VETERANS SUPPORT SYSTEM*

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**BETTER INFORMED**

To make a difference at times of crisis and conflict we need to understand and adapt to all sorts of situations.

In a stronger Force everyone is better informed, from the frontline to the headquarters. Our ability to develop understanding and share it across the force is critical if we are to make the right calls every day.

**BETTER UNDERSTANDING**

We’ll invest in skills and capabilities that mean we can better understand our environment and respond appropriately.

*LITTORAL OPERATIONS SUPPORT CAPABILITY • FUTURE AIR SURVEILLANCE • JOINT INTELLIGENCE PROGRAMME*

**A SHARED AWARENESS**

A force works better when everyone has a common understanding of what is happening. It means quicker, better informed decisions, creating greater impact on operations.

*DEFENCE COMMAND AND CONTROL SYSTEM • NETWORK-ENABLED ARMY • COMMAND, CONTROL, COMMUNICATIONS, COMPUTERS, INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE*

**BETTER CALLS**

We will make informed decisions at the right levels, and exercise good stewardship of our organization.

*NEW GOVERNANCE STRUCTURE • REVISED OPERATIONAL LEVEL COMMAND AND CONTROL*

**BUSINESS INTELLIGENCE**

As an organisation we will better understand our processes. Transparency and access to data and knowledge will allow for accurate, reliable and repeatable decisions.

*KNOWLEDGE MANAGEMENT STRATEGY • PLANVIEW • DOCUMENT MANAGEMENT SYSTEM*
**THE LONG GAME: 2035 – AN INTEGRATED DEFENCE FORCE TAILORED FOR FUTURE SECURITY CHALLENGES**

Over the next six months, the release of the Defence White Paper 2015, and the establishment of the Defence Force Board, will further develop our long-term view.

The operational mastery and organisational excellence delivered in the New Zealand Defence Force of 2020 will position Defence to respond with agility and strength to future changes in the operating environment. Future-proofing is built into the way that we design our workforce, select and introduce capabilities, and manage our relationships. Above all it is a function of leadership to delivery current capability in a way that preserves future options.

The New Zealand Defence Force will need to be able to operate in complexity not readily understood at the moment; therefore, previously discrete capabilities will need to be part of an integrated system that is readily adaptable to unforeseen challenges. The Defence Force will play a key role in a larger national security system able to pre-empt, or react to, both contemporary and emerging threats. It will be adept at leveraging emerging technologies to augment traditional capabilities, particularly Information Technology.

The Defence Force of 2035 will continue to demonstrate expertise in the Maritime, Land, Air and Information domains delivering operational effects in innovative ways. Our values of Courage, Commitment and Comradeship will ensure that the solutions we achieve remain consistent with the values of New Zealand. Professionalism and a drive for continual improvement will ensure that we will be a force of which New Zealand can be justly proud.
**STRATEGIC CHANGE FRAMEWORK – FROM HERE TO THERE**

In order to deliver military outputs to the government now and in the future, the Defence Force must continually strive to improve how it goes about the business of Defence. Even as we deliver capability, manage our workforce, and conduct activities, we are always challenging the practices, processes and structures that underpin those outputs.

In order to deliver the Force of 2020, the Defence Force senior leadership has agreed on five areas where change will have a positive impact on our ability to deliver credible military response options in the face of the challenges we anticipate five years from now. These strategic objectives are about areas of change for the Defence Force – things that we do well, but could and should do better. They do not encompass all of our work, but do reflect the areas that are most likely to see medium-term change initiatives.

<table>
<thead>
<tr>
<th>LEADING WITH EXCELLENCE</th>
<th>In 2020, the Defence Force will have stronger leadership, better governance, and improved management.</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERATING A SUSTAINABLE WORKFORCE</td>
<td>In 2020, the Defence Force will be a sustainable, professional, effective force that represents New Zealand and its values.</td>
</tr>
<tr>
<td>FOCUSSING OPERATIONAL CAPABILITIES</td>
<td>In 2020, Defence will be a trusted government partner in the delivery of essential military capability.</td>
</tr>
<tr>
<td>PARTNERING FOR GREATER EFFECT</td>
<td>In 2020, the Defence Force will be an effective and valued partner in advancing New Zealand’s interests at home and abroad.</td>
</tr>
<tr>
<td>LEVERAGING THE JOINT EFFECT</td>
<td>In 2020, we will be able to effectively, quickly, and safely bring together components from across the Defence Force to create directed effects.</td>
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</tbody>
</table>

These objectives are intended to interact with, rather than align to, the priorities of our senior leadership. While strategic objectives are the ‘lines of operation’ along which we will pursue positive change, priorities are the ‘Commanders Guidance’, pointing us to the main effort and guiding us through challenges and trade-offs. As we move towards our 2020 vision we will report our progress against the strategic themes, but it is the process of prioritisation – making the hard calls - that will make sure we get there.
OPERATING ENVIRONMENT

This section explains:

• key expectations of the Defence Force
• key challenges the Defence Force faces; and
• how the Defence Force monitors the operating environment and manages risk
KEY EXPECTATIONS OF THE DEFENCE FORCE

The Government wants a Defence Force that is well-equipped, well-trained and well-motivated; capable of undertaking a range of tasks independently or in combination with other security partners in order to contribute to the realisation of New Zealand’s foreign policy and security objectives.

Key expectations of the Defence Force:

• Generating on demand mission-capable, prepared military forces to conduct specified military and national support missions that contribute to New Zealand’s national security objectives;

• Providing clear and timely strategic direction to Government on the employment of the Defence Force with minimum risk;

• Integrating fully capable naval, land and air components into coherent, interoperable, joint or combined forces under unified command;

• Maintain partnerships that support New Zealand’s national security interests;

• In partnership with the Ministry of Defence, as civilian advisor, providing high quality professional military advice to the Government;

• Support and honour our Veterans; and

• Deliver on Defence Mid-point Rebalancing Review expectations in order to provide value to the government.

General expectations:

• With the Ministry of Defence, supporting Ministers’ decision making to develop defence policies and operational advice, which meets New Zealand’s national security requirements, interests and obligations;

• Provide effective and efficient performance, direction, planning, management and accounting for the Defence Force’s resources;

• Be a good employer of New Zealanders with high standards of personnel management and fairness; and

• Sustain high standards of compliance, transparency, integrity, prudence, professional capability, and public communications.

External Sector

The Defence Force is part of the External Sector, which is administered by four departments – the New Zealand Defence Force, 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 Defence Force’s relationship within the External Sector and other departments and agencies is shown on the following page.
## DEFENCE FORCE’S RELATIONSHIP WITH OTHER DEPARTMENTS AND AGENCIES

### MINISTRY OF DEFENCE*

Lead civilian advisor on defence issues, procurement of military capability, and evaluation and assessment.

### NEW ZEALAND DEFENCE FORCE*

Providing a credible and effective Defence Force, capable of serving the Government’s defence and national security objectives. Lead military advisor on defence issues.

### Central Agencies

**Treasury:**
- Defence and security policy issues and their expenditure implications

**State Services Commission:**
- Defence and security policy issues
- Organisational structure and governance
- Senior appointments
- Agency performance

**Department of the Prime Minister and Cabinet:**
- Defence and security policy
- Common strategic awareness
- Security policy and management of security threats
- Officials Committee for Domestic and External Security Coordination

### Operational Partners

**New Zealand Customs Service***:
- Policy issues concerning NZ sovereignty and the Exclusive Economic Zone
- The National Maritime Coordination Centre

**Maritime New Zealand:**
- Maritime incidents
- Maritime Search and Rescue
- Marine degradation and pollution

**Ministry for Primary Industries:**
- Maritime surveillance and Exclusive Economic Zone security

**Antarctic New Zealand:**
- Maintaining New Zealand’s right of sovereignty on the Antarctic continent
- Managing government activities in Antarctica, the Southern Ocean and the Ross Dependency

**Ministry of Civil Defence and Emergency Management:**
- Domestic disaster management and relief

**Department of Conservation:**
- Promotion and conservation of NZ’s natural and historic heritage

**New Zealand Fire Service:**
- Reducing the incidents of fire
- Response to hazardous non-fire incidents

**Department of Internal Affairs:**
- Managing State events and national commemorations
- Representation at significant commemoration events offshore

**Department of Corrections:**
- Maintaining the integrity of custodial arrangements

**Ministry of Health:**
- Coordinating all-of-government efforts to ameliorate the effect of pandemics
- Delivery of health services to veterans

**Ministry of Education:**
- Opportunities for youth and youth development

**Ministry for Culture and Heritage:**
- Preserving New Zealand’s history

**Ministry of Social Development:**
- Opportunities for youth and youth development
- Administration of veterans pension

**Government Communications and Security Bureau:**
- Security policy, including cyber security

**New Zealand Police:**
- Security policy issues
- Counter-terrorism
- Peace support
- Search and Rescue

**Ministry for Foreign Affairs and Trade***:
- Foreign policy and security interests
- Overseas deployments
- International defence relationships

**New Zealand Security Intelligence Service:**
- Information-sharing to contribute to common awareness of the security environment

**Ministry of Foreign Affairs and Trade***:
- Foreign policy and security interests
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- Security policy and management of security threats
- Officials Committee for Domestic and External Security Coordination

**Operational Partners**

**New Zealand Customs Service***:
- Policy issues concerning NZ sovereignty and the Exclusive Economic Zone
- The National Maritime Coordination Centre

**Maritime New Zealand:**
- Maritime incidents
- Maritime Search and Rescue
- Marine degradation and pollution

**Ministry for Primary Industries:**
- Maritime surveillance and Exclusive Economic Zone security

**Antarctic New Zealand:**
- Maintaining New Zealand’s right of sovereignty on the Antarctic continent
- Managing government activities in Antarctica, the Southern Ocean and the Ross Dependency

**Ministry of Civil Defence and Emergency Management:**
- Domestic disaster management and relief

**Department of Conservation:**
- Promotion and conservation of NZ’s natural and historic heritage

**New Zealand Fire Service:**
- Reducing the incidents of fire
- Response to hazardous non-fire incidents

**Department of Internal Affairs:**
- Managing State events and national commemorations
- Representation at significant commemoration events offshore

**Department of Corrections:**
- Maintaining the integrity of custodial arrangements

**Ministry of Health:**
- Coordinating all-of-government efforts to ameliorate the effect of pandemics
- Delivery of health services to veterans

**Ministry of Education:**
- Opportunities for youth and youth development

**Ministry for Culture and Heritage:**
- Preserving New Zealand’s history

**Ministry of Social Development:**
- Opportunities for youth and youth development
- Administration of veterans pension

**Government Communications and Security Bureau:**
- Security policy, including cyber security

**New Zealand Police:**
- Security policy issues
- Counter-terrorism
- Peace support
- Search and Rescue

*External Sector for Estimates of Appropriation.*
KEY OPERATING ENVIRONMENT CHALLENGES

The 2010 Defence White Paper, and it’s supporting Defence Assessment, outlined the expected challenges to 2035. In December 2014 the updated Defence Assessment was released, and will inform the Defence White Paper of 2015. The unclassified version of this assessment is available on the Ministry of Defence externally-facing website.

A number of known challenges inform this Statement of Intent. These include:

• Increasing significance of the cyber and information domains to New Zealand’s security interests.
• A changed threat environment in New Zealand and overseas due to changes in the nature and distribution of the terrorist threat;
• The increasing inter-connectedness of conflict drivers in the Middle East;
• Greater evidence of the threat that climate change poses to populations, including some of our partners in the South Pacific;
• The continuing effects of the global financial crisis; and
• The development of new political and security structures in the Asia-Pacific region.

Managing Risk

Effectively managing risk is a part of the Defence Force’s culture. Our risk management governance, policy, accountabilities, principles and approach are detailed in the NZDF Risk Management Framework document, which is available to all Defence personnel.
MANAGING FUNCTIONS AND OPERATIONS

This section explains how the Defence Force intends to manage its functions and operations to meet its strategic intentions.
Government’s Primary Security Objective

The Government’s primary security objective is to ensure the security and territorial integrity of the nation, including protecting the institutions that sustain confidence, good governance and prosperity. It encompasses; the preparedness, protection and preservation of people, property and information.

The principal role of the Defence Force is to defend the nation’s sovereign territory and those areas for which New Zealand is responsible, delivering security for New Zealanders including against terrorism and related asymmetric threats. Offshore and under the Government’s direction, the Defence Force contributes to collective security initiatives and efforts to strengthen a rules-based international order that serves the nation’s wider interests.

Defence Force Outcomes

The Defence Force performance framework establishes three Defence Force outcomes to the Government, which set out the intended results of the Defence Force’s activities for New Zealanders. These are:

Outcome One – New Zealand’s National Interests are Secured

A secure New Zealand, including its people, land, territorial waters, Exclusive Economic Zone, natural resources and critical infrastructure.

This outcome contributes to the protection of New Zealand and our offshore territories and the capacity to deter and defeat military threats or incursions. It encompasses the integrity of New Zealand, its territorial waters and airspace, and provision of support to other government departments in matters of safety of life, security and law enforcement. Assistance may also involve limited manpower to assist local authorities during an emergency and resources to assist the civil power in countering acts of terrorism or similar threats to public safety.

The Defence Force contributes to the integrity of the nation and the safety of our citizens through the delivery of two key results:

- New Zealand is protected from military threats and illegal or unauthorised intrusions of our sovereign and economic borders; and
- The safety and wellbeing of New Zealand citizens is enhanced and national resilience improved.

The Defence Force participates in all-of-government endeavours to protect our territory and people from major risks:

- Informing the Government’s decision-making processes to counter threats to the nation’s sovereignty through surveillance operations to detect and report on activity in the maritime zone, along the coastline and across the landmass;
- Providing the Government with situational awareness through the systematic monitoring of the maritime domain and information from the fusion and analysis of all-source intelligence;
- Informing the Government of foreign defence matters and contributing to the compilation of national security assessments;
- Informing the Government’s decision-making processes relating to the employment of the Armed Forces;
- Protecting New Zealand, and the Realm of New Zealand, from military threats through maintaining naval, land and air combat capabilities, that can detect and deter threats to our sovereign territory and citizens;
- Working with lead agencies, sharing resources and information for the conduct of interagency operations to detect and respond to potential or actual non-compliance with relevant laws within the territorial waters, Contiguous Zone, EEZ out to the limits of the Continental Shelf and in other areas of national interest; and
- Supporting all-of-government efforts to maintain an active permanent presence in the Ross Dependency.

We will know that the Defence Force has contributed to safeguarding of our maritime domain and landmass when:
• Defence Force capabilities necessary to deter military threats have maintained their peacetime readiness levels;
• The reports of surveillance missions across the maritime zones have enabled the compilation of a comprehensive maritime picture;
• The Government’s decision-making is informed by the provision of intelligence and contributions to national assessments relating to defence matters; and
• Agencies enabled by Defence Force capabilities have been able to meet their mandated duties and ensure compliance with relevant laws.

We will know that our assistance has enhanced the safety of the population when:
• We have met the civil power’s requests to respond to search and rescue tasks, security events and other emergencies in a timely manner;
• The combined planning efforts have achieved a satisfactory level of contingency planning for likely events or incidents and that these plans have a high likelihood of securing the safety of the population and protecting the nation’s infrastructure;
• We have assisted the civil power to plan, prepare and exercise all-of-government response in times of crisis;
• The safety of New Zealand citizens has been achieved when the Government has called on the Defence Force to assist; and
• There is public trust and confidence in the combined civil power and Defence Force response capability.

OUTCOME TWO – International Order is Supported

New Zealand’s military contributions to prevent, manage, resolve conflict and maintain international order are valued.

The Armed Forces may be employed to promote national interests across a range of activities including supporting diplomacy, humanitarian intervention and peace support operations, through to major warfighting. This engagement is discretionary. Mindful of New Zealand’s global interests and critical dependence on a stable, secure international environment for trade, it is likely that threats to international order would also represent a threat to national interests.

The international rule-based order is continually being challenged and violence in its many forms pervades many parts of the world. The core task of the Defence Force is to conduct military operations and it is likely that the Government would consider the use of military force to restore and maintain international order 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 a collective action in support of a member of the Pacific Island Forum facing a direct threat;
• As part of New Zealand’s contribution to the FPDA; or
• If requested or mandated by the United Nations, especially in support of peace and security in the Asia-Pacific region.

New Zealand’s interests are global but have a distinct focus on the South-West Pacific, where New Zealand contributes to stability, capacity-building and economic development, regional maritime surveillance, search and rescue, humanitarian aid and disaster relief when required.

In peacetime our military operations and related activities in the wider international arena contribute to collective security, support humanitarian objectives, enhance security in regions of strategic or economic interest and enhance our multilateral or bilateral relationships.

As a maritime trading nation in an interconnected world, New Zealand’s prosperity and economic security relies on stability abroad. As the international community deals with numerous security events, New Zealand needs to address challenges to the nation’s security at their source before they impact our wellbeing and economic prosperity.

New Zealand also relies heavily on its ability to maintain access to global markets and it is important that our trade routes are not impeded by the actions of states, or non-state actors, who disregard international law and claim excessive geographical jurisdiction, denying nations freedom of navigation on the high seas or transit through designated international airspace.
We will know that this has been achieved when:

- New Zealand’s standing as a dependable and informed security partner is maintained or enhanced through a coherent international engagement programme that involves capacity building activities, military exercises, senior officer visits, maritime deployments and ship visits, exercises and representation by the Defence Attaché community;

- Combined New Zealand and Australian forces are capable of deploying seamlessly, at short notice on military and non-military operations in the immediate region;

- The Defence Force demonstrates that it is able to exercise and operate effectively with other defence partners;

- The Defence Force continues to be recognised for the constructive role it plays in security relations and our efforts to lessen the risks of instability and conflict in the region and elsewhere is valued by our security partners;

- The Defence Force’s contributions to international humanitarian and disaster relief efforts assists host nations provide immediate humanitarian aid, undertake emergency reconstruction and restore a safe and secure environment for the affected population; and

- The Government and New Zealand public value the contributions the Defence Force makes to global security.

**Outcome Three – Veterans’ Service is Honoured**

The service of our people is recognised, respected and honoured.

The Government’s stated intent underpinning policy related to veterans is ‘Respecting Veterans, Honouring Service’.

This reflects the broader principles of:
- Respecting veterans;
- Strengthening communities; and
- 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 nation.

We will know when the Government’s intent has been met when:

- 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 Defence Force, 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; and

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

**Defence Force Outputs**

**The Core Task of the Defence Force is to Conduct Military Operations**

Readiness for military operations is the most significant output that the Defence Force delivers to the Government in return for the resources provided to the Defence Force. The CDF ensures the efficient and effective use of resources to maintain a state of readiness that enables the Defence Force to respond to the Government’s direction to employ the Armed Forces in support of New Zealand’s national interests.

The Defence Force’s readiness posture delivers a credible and capable force that can respond to changes in New Zealand’s security environment. It provides an effective hedge against uncertainty facilitating the generation of relevant military responses for given circumstances. The Defence Force peacetime readiness reflects risk management decisions and the inherent value of maintaining a baseline level of military skills, knowledge and capability as the foundation for the conduct of military operations should the strategic circumstances deteriorate.

Defence is a complex business, characterised by high levels of uncertainty. The organisation as a whole must be prepared to deal with a range of security events. Accordingly the Government establishes
the level of operational readiness to ensure that the Defence Force has the capacity to conduct a range of tasks, potentially simultaneously or in sequence, over longer periods of time and within the limits of available resources.

The Defence Force operates in three geographic environments as follows:

**Domestically**

- Maintaining enduring situational awareness of the maritime approaches to New Zealand and contributing to the national wide-area surveillance capabilities for resource and border protection operations;
- Assisting the civil power protect and secure offshore maritime zones, including operations in relation to fisheries protection, illegal immigration, terrorism, smuggling, quarantine evasion, protection of offshore territories, security of offshore installations, protection of resource exploration activities and other border security tasks;
- Supporting search and rescue operations across the mainland and breadth and depth of the New Zealand Maritime Search and Rescue Region;
- Supporting emergency response efforts by the civil power in the event of a major disaster and when the scale of the disaster exceeds the capacity of other agencies;
- Maintaining high-readiness forces to support domestic counter-terrorist operations and deal with other asymmetric security events; and
- Maintaining high-readiness capabilities to deal with explosive ordnance disposal, improvised explosive devices and biological, chemical and radiological incidents.

**Regionally**

- Providing humanitarian assistance and disaster relief assistance to regional nations when necessary;
- Being responsive to short-notice, limited warning tasks such as the evacuation of nationals by air and by sea from high-risk environments offshore;
- Having the capacity to assist regional nations manage their marine resources and deter illegal and unauthorised activities within their EEZ; and
- Remaining prepared to project and sustain New Zealand forces operating in the near region by air and sea, at short notice.

**Globally**

- Being ready to deploy within an agreed response time and sustain New Zealand military forces in different areas of operations; and
- Contributing military capabilities for extended periods to international operations in support of New Zealand’s wider strategic interests.

The following page illustrates how output classes link Defence activities with New Zealand’s security interests. It shows how investment in Defence capabilities delivers on security outcomes for New Zealand.

**Defence Force Outputs**

The Defence Force is administered through seven output expenses under Vote Defence Force and delivers outcomes to the Government by producing five main output categories:

- **Prepared** – The preparedness of military forces from the Navy, Army and the Air Force that can be deployed, sustained, recovered and regenerated at the scales of effort required to meet the Government’s strategic objectives.
- **Protect** – Operations to protect New Zealand and New Zealanders.
- **Project** – Operations contributing to New Zealand’s security, stability and interests.
- **Inform** – Advice to the Government.
- **Veterans’ Affairs** – Supporting our veterans.
**Government’s Primary Security Objective**

Government’s primary security objective is to ensure the security and territorial integrity of the nation, including protecting the institutions that sustain confidence, good governance and prosperity. It encompasses the preparedness, protection and preservation of people, property and information.

**Defence Strategic Objective**

New Zealand is secure and the nation’s strategic interests are advanced through the conduct of military operations and other tasks.

**OUTCOMES**

- **New Zealand’s National Interests are Secured**
  - A secure New Zealand, including its people, land, territorial waters, Exclusive Economic Zone, natural resources and critical infrastructure.

- **International Order is Supported**
  - New Zealand’s military contributions to prevent, manage, resolve conflict and maintain international order are valued.

- **Veterans’ Service is Honoured**
  - The service of our people is recognised, respected and honoured.

**EFFECTS**

- **Prepare**
  - Deterrence of military threats to New Zealand’s sovereign territory and areas under New Zealand’s responsibility.
  - More active Government awareness of activities in the territorial waters and wider maritime domain. Improved response by civil authorities to illegal and unauthorised activities in and about New Zealand’s maritime zones.
  - Dynamic awareness of activities of strategic interest and foreign defence relevant to New Zealand from a responsive, conversant and cognisant Government.

- **Protect**
  - Civil authorities fulfil their mandated national security responsibilities to save lives, prevent human suffering or mitigate property damage and all-of-government efforts secure the safety of New Zealand citizens.
  - Effective Defence Force assistance to civil authorities in non-emergency situations.
  - Support to the community is effectively managed and reported by the Defence Force.

- **Project**
  - Reduce instability in conflict-affected States resulting from breakdowns in law and order, insurgency and other irregular activity.
  - Mitigate future security events that challenge global security.
  - Enhance the resilience of New Zealand’s offshore interests and improve the levels of social and environmental wellbeing for regional nations.

- **Veterans’ Affairs**
  - 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.
  - Working in partnership with the Defence Force, 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.
  - Veterans’ perspective is considered as part of Government decision-making on issues that impact on their lives.

**ACTIVITIES**

- **Prepared**
  - Navy capabilities prepared for joint operations.
  - Army capabilities prepared for joint operations.
  - Air Force capabilities prepared for joint operations.

- **Produce**
  - Operations to protect the nation’s sovereignty and provide for the security of New Zealanders.
  - Operations that contribute to the security and stability support New Zealand’s interests abroad.
  - Respecting Veterans and honouring Service.

- **Inform**
  - Advice to Government.

**INPUTS**

- Enabling Functions.
DEFENCE FORCE PERFORMANCE

The fundamental purpose of performance reporting is to strengthen public accountability for the responsible use of taxpayer funded resources and regulatory powers, including demonstrating that the outputs have been delivered as specified, effectively and efficiently.

The Defence Force internal performance management system is designed to assess the preparation of the Armed Forces for future operations and to give an account of the capacity to sustain current operational demands. Performance assessments emanating from this internal reporting system are the basis for routine reports to Ministers and inform the annual Parliamentary reporting process.

Benchmarking Administrative and Support Services

The New Zealand Defence Force measures the efficiency of supporting functions through the annual Benchmarking Administrative and Support Services exercise. Treasury’s Benchmarking Administrative and Support Services report provides the Defence Force with valuable benchmarking information on the efficiency of our supporting functions relative to other agencies. The Defence Force also uses this information to track the progress it has made at improving efficiency year on year.

Defence Force Internal Performance Management

The Defence Force measures its internal performance through the Defence Performance Management Framework. The Framework allows the measurement of Defence’s ability to effectively and efficiently manage a large and complex business. The Framework measures those functions that directly support the force elements, including supply chain measures, repairs and maintenance, delivery of training, and information communications technology support. Performance within the Framework is managed through the Executive Strategy Manager software tool. A diagram of the Framework is shown on the following page.

Changes to Performance Management

The Defence Force recognises that, as part of improvements to governance practice, it needs to get better at performance management. This includes ensuring that our planned outputs and strategic change are achievable and measurable.

The Business Intelligence priority in 2015/16 will support improved analysis around where we are adding value and where we need to improve. Prioritisation and organisational alignment processes underway are also developing more mature key performance indicators. Procedures have been established whereby governance bodies (including the Executive Group, Organisational and Outputs Committee) are supported with analysis of this reporting.
DEFENCE FORCE PERFORMANCE MANAGEMENT FRAMEWORK

OUTCOMES
- New Zealand’s National Interests are Secured
- International Order is Supported
- Veterans’ Service is Honoured

OUTPUTS
- Prepared
- Protect
- Project
- Inform
- Support Veterans

KEY PROCESSES
- Leadership System
- Joint and Collective Training System
- Logistics System
- Capability Development System
- Enabling System
- HR & Individual Training System

INPUTS
- Personnel
- Military Platforms & Equipment
- Estate
- Funding

STRATEGIC LINES OF OPERATION
- Generating a Sustainable Workforce
- Focusing Operational Capabilities
- Partnering for Greater Effect
- Leveraging the Joint Effect
- Leading with Excellence
ORGANISATIONAL HEALTH AND CAPABILITY

The delivery of Defence Force strategy is underpinned by a number of shared, enabling capabilities. Those that are most significant to this Statement of Intent – people, information communications technology, estate, logistics and equipment – are discussed in this section. Each of these areas is developing supporting strategies which will ensure that they deliver on our priorities in a balanced and prioritised manner.

PEOPLE CAPABILITY

Overview

In order to deliver on government priorities and retain capacity for future contingencies, managing a sustainable workforce is a priority for the Defence Force. This workforce must be highly trained, professional and committed. It includes all those who contribute to military outputs; military, civilian and contractors. The long-term sustainability of the workforce is supported by a commitment to Defence Force families, veterans, and the community.

Over the next year a strategic approach to the generation of People Capability will be developed under the leadership of the new Chief People Officer, who is a member of the senior leadership team. This will ensure an integrated approach to people capability, encompassing functions such as workforce management, recruitment and retention, training, career management, remuneration, health, and workplace safety.

Operating Environment

The Defence Mid-point Rebalancing Review, in agreeing specific capability sets, has provided the basis for Defence Force workforce planning. The Defence Force workforce plan will produce reliable outputs in line with this government direction. It will balance measured growth of uniformed military personnel with the size of the civilian force, and the delivery of Defence Force outputs.

Changes in New Zealand society and the nature of work will influence the future Defence Force. Wider demographic representation is needed for Defence to reflect New Zealand society and meet the expectations of New Zealanders. This increased diversity represents an opportunity to improve operational effectiveness through different ways of thinking, perspectives and increased cultural understanding. Additionally, the expectations of young New Zealanders about the nature of a career and the impact of technology are changing the way we work. Defence policies, processes and systems will need to be flexible enough to meet these expectations.
The profile of New Zealand’s veteran population is rapidly changing. Over the period of this Statement of Intent there will be significant changes to how we deliver support to serving and retired veterans, driven in part by the delivery of the Veterans’ Support Act 2014.

FOUR-YEAR WORKFORCE HORIZON

Work undertaken in 2015/16 to further develop the strategic approach the People Capability will refine the priorities and initiatives in the People Portfolio. From there, the Chief People Officer’s portfolio initiatives anticipated for the next four years will include the following:

- A People Capability Plan that clarifies how workforce themes and initiatives will be coordinated into a coherent, prioritised, pan-Defence Force plan;

- A new Force Generation model will be defined (in accordance with 2015/16 Leadership Priorities);

- A new workforce management model to allow for a predictive and agile response to workforce issues;

- The Defence Force culture will continue to evolve from a strong single Service orientation to one that is based on common and universal values, behaviours and attitudes. In the next four years the Organisational Culture Project will be completed, making this universal culture part of the fundamental pillars of the Defence Force. It will also provide tools to assess the impact future personnel change initiatives will have on the organisation.

- In 2015, the Defence Professional Development Framework will produce a single approach to professional development and performance assessment within the Defence Force. This system will enable Defence to better and more holistically manage talent and succession planning. This will be complete by mid 2016.

- The completion of the Human Resource Management Information System delivery. This will result in adjusted practices for professional development, competency management, leadership, and performance subjects.

- Career and talent management models will be revised and policies in place to support both military and civilian requirements. Specifically in 2015/16, a review of Regular Force operational career management policies and processes will implement the following changes:

  - Establish a central Directorate of Career and Talent Management under the Chief People Officer in order to create a single approach to career and talent practices.

  - Refresh approaches to selection, appointment and feedback policies and processes.

  - Propose flexible approaches to standard career paths, including reducing barriers to trade and Service transfers, and reviewing dated provisions, such as time barriers to promotion, that hold up fast tracking of high performing individuals.

  - These reviews will look to align career and talent management policies and practices as part of a total defence workforce approach. For civilian staff, this will incorporate the establishment of a talent management regime that identifies and develops high-potentials, in accordance with State Services Commission guidelines.

  - Conditions of Service and Employment and remuneration will be routinely reviewed and continuously improved. Planned reviews include an examination of Reserve Force policies and the provision of accommodation assistance. Remunerations adjustments will focus on solving inequities and increasing conditions of service. However, funding assumptions will shape the ability to provide competitive pay and benefits over the next four years and maintaining the market median will be a significant challenge.

  - The Defence Force also has an ongoing commitment to monitor and revise employment relations and collective agreement arrangements for civilian staff. Other reviews will be identified as part of the evolution of the People Capability Plan.

  - New or revised military capabilities will be supported by trade and skills reviews, and the creation or revision of service employment profiles, as required. Strategies will be required to support any changes to employment profiles for those individuals involved in these changes.
• Defence will continue its programmes to promote diversity and inclusiveness in the workplace, setting the environment for increased gender and minority participation in the workforce. These initiatives include the More Military Women Programme, targeted recruitment information, more flexible work options, the introduction of strengthened anti discrimination, bullying and harassment provisions, and sexual assault prevention promotion.

• New Zealand Defence Force health and safety initiatives will be embedded into the workforce’s culture, as part of the Defence Force’s commitment to creating a healthier and safer work environment. The Health and Safety directorate has been created to further legislation, regulation, and policy development, and will drive cultural change to be ‘Operations First, Safety Always’ focused. Further, the Defence Force will continue to progress wellbeing and mental health programmes for Service members. Programmes will continue throughout the next four years to embed this culture change into the organisation.

• The families of Defence Force personnel, both uniformed and civilian, will be offered support that is relevant to the challenges that they are facing. When personnel are deployed in an operational environment, this support ensures that personnel are not adversely affected by family concerns and that they have confidence in the Defence Force’s provision of care to their next of kin. In all environments, the Defence Force has a commitment to helping Service personnel improve their personal well-being and relationships skills. The Family Support and Work Environment initiatives address these issues, and will run throughout the period of this Statement of Intent.

• The delivery of personnel policy, processes and systems will be refined in 2015/16. The Chief People Officer appointment in 2015 will lead to the development of workforce strategy, structure, policy and plans. This appointment reports directly to the Chief of Defence Force.

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**EQUALITY AND DIVERSITY**

The Defence Force is committed to the principles of equality (treating people fairly and respectfully, ensuring equality of access to opportunities) and diversity (to understand, appreciate and realise the benefits of individual differences).

In applying these principles, the Defence Force seeks the following impacts:

- the Defence Force is seen to be a good employer;
- equity and diversity principles guide the Defence Force’s human resource strategies, policies, processes and practices;
- full compliance with legislation; and
- to ensure that the Defence Force has a culture in which individuals are appointed and promoted on merit.
The Defence Estate is an enabler for the New Zealand Defence Force’s military capabilities and the support it provides to other government agencies and the community. The estate comprises approximately 81,000 hectares and 5,000 buildings across nine camps and bases, two large training areas and a number of regional support facilities. The replacement value of buildings and infrastructure is approximately $2.8 billion which incurs annual depreciation of approximately $50 million.

Much of the Estate, which was built during World War Two, is degraded and incurring increasing compliance challenges, including meeting seismic strengthening requirements. The Defence White Paper 2010 identified that the Defence estate is “generally in average condition, but facing a significant risk of rapid deterioration”. It noted that the running costs of the Defence Estate were substantial and considerably short of what was needed. In turn, the Defence Midpoint Rebalancing Review 2013 estimated that the cost of addressing remediating the estate to a level where it was legislatively compliant and fit for purpose was $1.7 billion out to 2030.

In July 2014, Cabinet endorsed strategic planning principles for Defence Estate recapitalisation. These principles included maintaining a presence in all current major locations and training areas, efficient and effective management of the estate, and the need for funding allocated for recapitalisation of the Defence estate not to be reallocated elsewhere without Cabinet approval.

Recapitalisation of the Defence Estate

Estate Investment for 2015/2016 and 2016/17

The early focus for recapitalisation is on immediate health and safety, security and compliance requirements. Total recapitalisation for 2015/2016 is approximately $64 million across 15 projects.

Defence Estate Plan

The 2014 Defence Capability Plan noted that “the New Zealand Defence Force’s focus over the next 10 years will be on making a substantial investment in safer, more modern and fit for purpose real estate, and reducing the operating costs associated with maintaining estate beyond its economic life”. This will be implemented progressively and target assets that make the greatest contribution to supporting Outputs.

Defence is intending to produce an Estate Plan by December 2015, similar to the Defence Capability Plan, to provide a framework for recapitalisation out to 2030. The Defence Estate Plan will provide direction for recapitalisation, the maintenance programme and overall estate management of the estate out to 2030. The following themes will be used to guide the following work programmes:

- Right-sizing the Estate. This involves consolidation of assets within and between locations to reduce the cost of maintenance, achieving economies of scale through concentrating like activities in fewer facilities.
- Innovation and efficiency. Modernisation or replacement of assets that are past their economic life will reduce associated operating costs and provide the opportunity to explore innovative approaches to make better use of technology and multi-role / multi-user assets under the most appropriate ownership models.
- Supporting Defence personnel. Defence personnel and families will be supported by access to modern working, training and living accommodation including workshops, barracks, houses, education facilities and messes.
- Supporting current capability. Assets that directly support military capability and Defence outputs are priorities for recapitalisation. The Defence Estate Plan will be aligned with the Defence Capability Plan to ensure high utilisation of investment in the estate.

1 This excludes military capability infrastructure costs which were included in the capability cost estimates rather than Estate recapitalisation.
• Compliance and resilience. In the immediate term the recapitalisation will focus on addressing health and safety, security and regulatory compliance. This will protect personnel, equipment, and the environment whilst improving resilience. It will include improvements to ammunition and fuel storage facilities and the early stages of the seismic remediation programme.

• Alignment with future capabilities – as indicated in the Defence Capability Plan.

**Estate Management**

Since the Defence Mid-point Rebalancing Review decision, the Defence Force has strengthened its property management functions by:

• establishing strategic planning and portfolio management offices;

• strengthening estate planning and policy functions;

• recruitment and increasing access to private sector capacity and expertise; and

• further developing governance arrangements for management of the estate to align with those currently used for Defence capability processes.

**INFORMATION COMMUNICATIONS TECHNOLOGY**

The New Zealand Defence Force uses Information Communications Technology in both the operational and organisational context. As capabilities are renewed, military platforms and systems become increasingly integrated across the Defence Information Environment, providing commanders with a decision making advantage. Leveraging the information environment for organisational functions supports efficiency and greater integration with the government approach to a shared digital environment.

In April 2015, a maturity assurance review of the Defence Force information and communications network was completed by an independent competent third party in consultation with the Government Chief Information Officer. The output from that review will affect current information communication technology strategies and plans and will inform the development of future strategies and plans.

Information, systems and communications technology touches every aspect of NZDF business. Technology is and always will be an integral part of the NZDF, vital in achieving the NZDF vision and mission. Appropriately applied information, systems and communications technologies will enable the NZDF to be a joint force and the best in everything it does.

Maintaining and enhancing the NZDF’s operational capability requires considerable ongoing commitment of resources to the support and renewal of existing technologies and the development and implementation of new technologies. We have interoperability requirements with the armed forces of our partner nations and the need to secure and protect our information from adversaries.

The range and complexity of technology initiatives creates a major challenge to ensure they are co-ordinated, interdependencies are identified and adequate resources are applied. At the same time, existing technologies within the Defence information environment must continue to be highly available and accessible. Optimising our Defence information and communication technologies is essential to deliver Future 35.
Defence Logistics

Logistics is a key enabler required to sustain and maintain Defence Force capabilities. It comprises multiple dimensions of activity that extends from deep level and collaborative support provided by the commercial sector through to direct support provided to military Force Elements deployed on operations.

In moving towards 2020, the Defence Force will demand more from its logistics support activities requiring it to be as efficient as possible, while continuing to deliver outputs. To address this requirement, Defence Logistics is embarking on a Campaign Plan called ‘Advance to 2020’. This campaign plan comprises multiple minor project enablers, continuous improvement pieces, compliance elements and two major programmes of work, the Consolidated Logistics Programme and Next Generation Logistics. This programme of change will be managed by the new position of Chief Joint Defence Services.

Consolidated Logistics Programme

The Consolidated Logistics Programme is a business change programme. It will deliver the process, systems and organisation needed to maintain military capability delivery and sustainment, despite reductions and changes in the holdings of major equipment types. Concurrent to this will be a reshaping of in-depth logistics to support operational equipment on the basis of its characteristics, rather than its association with any particular service. This will align with and support the focus on improved safety management and regulatory control as well as providing the basis for improved efficiency and effectiveness in the long-term delivery of military logistic support requirements.

Next Generation Logistics

Next Generation Logistics is a programme in development, for which its scope of activities will be finalised in the last quarter of 2015. The concept is to seek greater efficiency, flexibility and depth of logistics services where appropriate through the following lines of operations: joint logistics enablers, enhanced shared services, and a national supply and distribution system.
CAPITAL INTENTIONS

Recent funding decisions by the Government provide greater levels of certainty in ensuring the Defence Force has the right mix of capability and resourcing to meet government policy expectations. This reinvestment through replacement, upgrade of existing and introduction of new military and enabling capabilities will also require the continual application of efficiency and economy gains.

The major capital challenges over the next 10 years will likely remain aligned to managing the capability reform and renewal programmes within the indicative planning envelope provided through Four-Year Plans.

Over the period 2015–24, intended capability development includes the following projects (the projects in bold flag the three biggest capital decisions):

- **ANZAC Frigate Systems Upgrade**
- Pilot Training Capability
- Underwater Intelligence Surveillance and Reconnaissance
- Consolidated Logistics Programme
- Joint Unmanned Aerial System
- Light Armoured Vehicle upgrade
- Littoral Operations Support Capability
- Replacement Special Operations Vehicles
- A rolling replacement of Special Forces equipment, and Explosive Ordnance Disposal capabilities
- A replacement of Special Operations Forces rigid-hulled inflatable boats
- Garrison and training support vehicles
- **Maritime Sustainment Capability**
- **Network Enabled Army Capability**
- A range of projects designed to maintain the combat effectiveness of land forces
- A range of communications systems upgrades and refreshes to existing platforms
- Upgrades to the communications and navigation systems of all helicopter and aircraft fleets to meet Civil Aviation Authority requirements