

2018/19–2021/22 **STATEMENT OF INTENT**

for the period ending 30 June 2022

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**This Statement of Intent covers the period
FY 2018/19 to FY 2021/22.**

This Statement of Intent is published on the NZDF's website pursuant to Section 39(1) of the Public Finance Act 1989.

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Foreword

Minister of Defence
Minister for Veterans



As Minister of Defence I have a responsibility, on behalf of the Government and people of New Zealand, to ensure that the investments we are making in the New Zealand Defence Force deliver the military options required by Government to support New Zealand's foreign and security policy aims.

The core purpose of the Defence Force is to deliver military effects. But the Defence Force's capabilities enable it to deliver a broad range of activities. The recently released Strategic Defence Policy Statement 2018 introduces the Community, Nation and World framework recognising the important role the Defence Force plays, and will continue to play, in promoting the overall wellbeing and resilience of New Zealand, its communities and environment.

The men and women of the New Zealand Defence Force perform essential roles protecting New Zealanders, supporting the rules based international system, meeting New Zealand's commitments to its allies and partners, and furthering New Zealand's interests around the globe. Few other militaries in the world cover such a broad range of tasks as our Defence Force: being ready for combat, humanitarian response, to supporting domestic agencies with tasks that matter to all New Zealanders – like protecting our borders and ocean resources; conducting search and rescue; sustaining our scientists in Antarctica; responding to natural disasters like earthquakes or floods; or providing explosive ordnance disposal.

The Strategic Defence Policy Statement clearly sets out the Coalition Government's foreign policy and national security priorities, recognising the full spectrum of the value the Defence Force delivers to New Zealanders. We will ensure our international defence engagement and deployments are well targeted and aligned with New Zealand's foreign policy and

national security priorities. We will also work to increase the levels of public and cross-party engagement on defence and security issues and better demonstrate the value that the Defence Force provides.

The Defence Capability Plan, which will be released later this year, will optimise the Defence Force's capabilities into the future. This is in keeping with the principles we have introduced underpinning New Zealand's Defence policy, which includes ensuring the Defence Force is equipped and resourced to meet operational requirements and can continue responding effectively in an increasingly turbulent strategic environment.

Since I took up the role of Minister of Defence I have been impressed by the professionalism and dedication of the people in the New Zealand Defence Force. I extend – on behalf of all New Zealanders – my sincere thanks to them for their ongoing courage and commitment. I have every confidence the Defence Force will continue to contribute significantly to defence outcomes for the benefit of all New Zealanders.

A handwritten signature in dark ink, appearing to read 'Ron Mark', with a horizontal line underneath.

Hon Ron Mark
Minister of Defence
Minister for Veterans

Introduction



Chief of Defence Force's intent

Three-hundred-and-sixty-five days a year, the men and women of the New Zealand Defence Force are delivering on our mission to defend New Zealand and its interests.

The Integrated Defence Force – a connected, coordinated and agile military organisation

We support the nation's security, resilience and wellbeing, in fulfilment of national security objectives and the principles underpinning the Government's expectations of our Defence Force.

This ensures our Defence Force is delivering value to the **Community**, the **Nation**, and the **World**.

In Communities, our Defence Force is supporting local initiatives and environmental wellbeing and resilience.

To the Nation, our Defence Force promotes a safe, secure and resilient New Zealand, protecting our people, prosperity, territory, sovereignty and resources. The Defence Force also supports other agencies fulfil their services to New Zealand.

Meanwhile, in the World, we contribute to the maintenance of the international rules-based order, which is fundamental to our security and prosperity. The Defence Force also contributes to New Zealand's strong network of international relationships.

Through this new lens the Government has articulated the value of its considerable investment in the New Zealand Defence Force – both the operating funding we require to deliver our mission today, but also the future investment in the capabilities, platforms and infrastructure that will ensure we can continue responding to a range of contingencies and security events to protect and further New Zealand's national interests.

In return, we the New Zealand Defence Force must accept the challenge to use the resources we are provided in the most effective way. This means looking to the systems and processes that underpin the delivery of our military capabilities and identifying where we can improve in order to better achieve security outcomes for all New Zealanders.

For this reason our 2025 strategy has singled out as its **vision** of being an **"Integrated Defence Force"** – being a connected, coordinated and agile military organisation.

We must:

- **Be integrated internationally** with our military partners and like-minded nations;
- **Be integrated with domestic agencies** with whom we deliver services in and around New Zealand; and
- **Be integrated internally** – as a Defence Force.

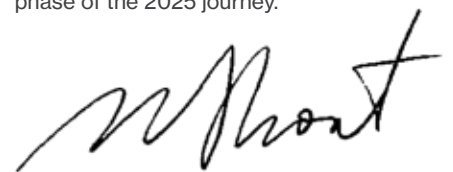
To achieve this we are prioritising our focus for 2025 in three target investment areas:

- **People:** Developing a flexible, resilient and affordable workforce in order to ensure we have the right mix of people, with the right skills, in the right place, at the right time, to deliver our outcomes.
- **Information:** Providing our people with secure access to accurate, timely and relevant information, everywhere it is needed in order to make the right decisions.
- **Relationships:** Building and maintaining the strength of our domestic, international and commercial relationships in order to maximise our combined effect.

Through integrating our efforts and reshaping the way we organise and employ our **people, capabilities, information and relationships**, along with programmed capability enhancements, and the regeneration of our estate and infrastructure, we will:

- **Realise our full potential** as New Zealand's armed forces;
- **Exploit our advantage** at home and abroad stemming from our unique 'Kiwi' ethos, and
- **Achieve better security outcomes** for all New Zealanders.

This Statement of Intent sets in place the foundation for how the Defence Force will deliver the *Integrated Defence Force* strategy by 2025. It focusses on the first phase of the 2025 journey.



Kevin Short
Air Marshal
Chief of Defence Force

Statements Of Responsibility

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.

A handwritten signature in black ink, appearing to read 'Ron Mark', with a horizontal line underneath.

Hon Ron Mark
Minister of Defence
Minister for Veterans
30 July 2018

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.

A handwritten signature in black ink, appearing to read 'K Short', with a horizontal line underneath.

Air Marshal Kevin Short
Chief of Defence Force
25 July 2018



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' Support Act 2014.

The New Zealand Defence Force's mission 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.

Our Defence Force is part of New Zealand's broader national security system and works closely with the Ministry of Defence and other agencies to protect and advance New Zealand's national security interests.

This means our Defence Force adds value to a diverse range of security activities. We are the only agency of state that maintains disciplined forces available at short notice and which operates large-scale and integrated fleets of ships, vehicles and aircraft. Having up-to-date sea, land and air technology ensures the Defence Force is ready for combat and able to quickly respond to military crisis as they unfold.

Being able to turn this same high-end defence technology and equipment and highly trained personnel to respond to domestic security issues brings a technological edge to tasks that matter to New Zealanders, without the need for duplication elsewhere in the public sector. So our Defence Force stands ready to assist the civil power in times of emergency providing specialised support to lead governmental agencies and first responders when safety of life is at risk or critical infrastructure comes under threat.

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.

The Defence Force comprises the Royal New Zealand Navy, the New Zealand Army and the Royal New Zealand Air Force, with about 14,500 Regular Force, Reserve Force and Civilian personnel.

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



Strategic Direction

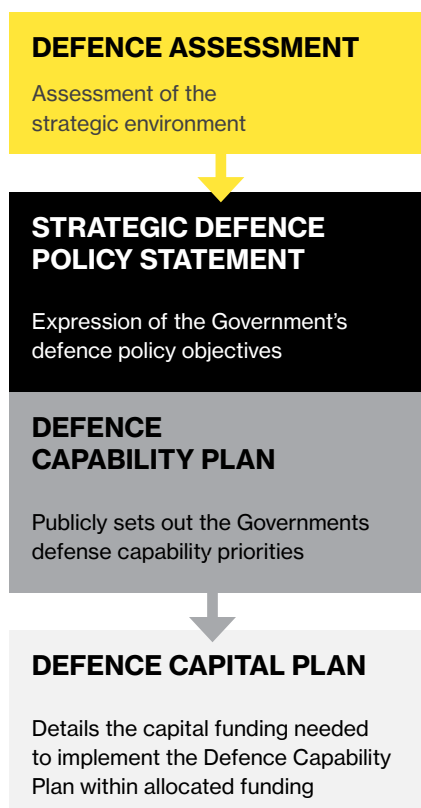
This section explains Government's direction to the Defence Force and Defence Force strategy.

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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 (New Zealand Defence Force and the Ministry of 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.

Defence employs a cross agency strategic policy review and investment planning process to align defence's investments with national security objectives. This includes a review of our strategic environment and implications for achieving national security objectives in close consultation with other government agencies. This enables Ministers to make investment decisions from a national security portfolio approach. Following each strategic policy review, a Capability Plan and a Capital Plan set out how the Government's intentions will be translated into defence effects, workforce and equipment.



Government's defence policy

The *Strategic Defence Policy Statement 2018* sets out the Government's policy objectives for the Defence organisation¹.

The *Strategic Defence Policy Statement* builds on the *Defence White Paper (2016)*, outlines the Government's defence policy and covers the Government's expectations and priorities for Defence. It provides a principles-based framework for future decisions about military capabilities, resources and funding.

Together, the *Strategic Defence Policy Statement 2018* and the Government's *Defence Capability Plan* provide the necessary strategic direction to the Defence Force on contributions to New Zealand's security and interests.

In addition to the provisions of the *Defence Act*, the *Strategic Defence Policy Statement* and policy promulgated in Defence White Papers, the Government will furnish other policy statements from time-to-time that provide additional direction to the Chief of Defence Force.

Government's priorities for the Defence Force

The Government's key priorities are set to ensure that, within the limits of available resources, the New Zealand Defence Force has achievable strategies and capacity to:

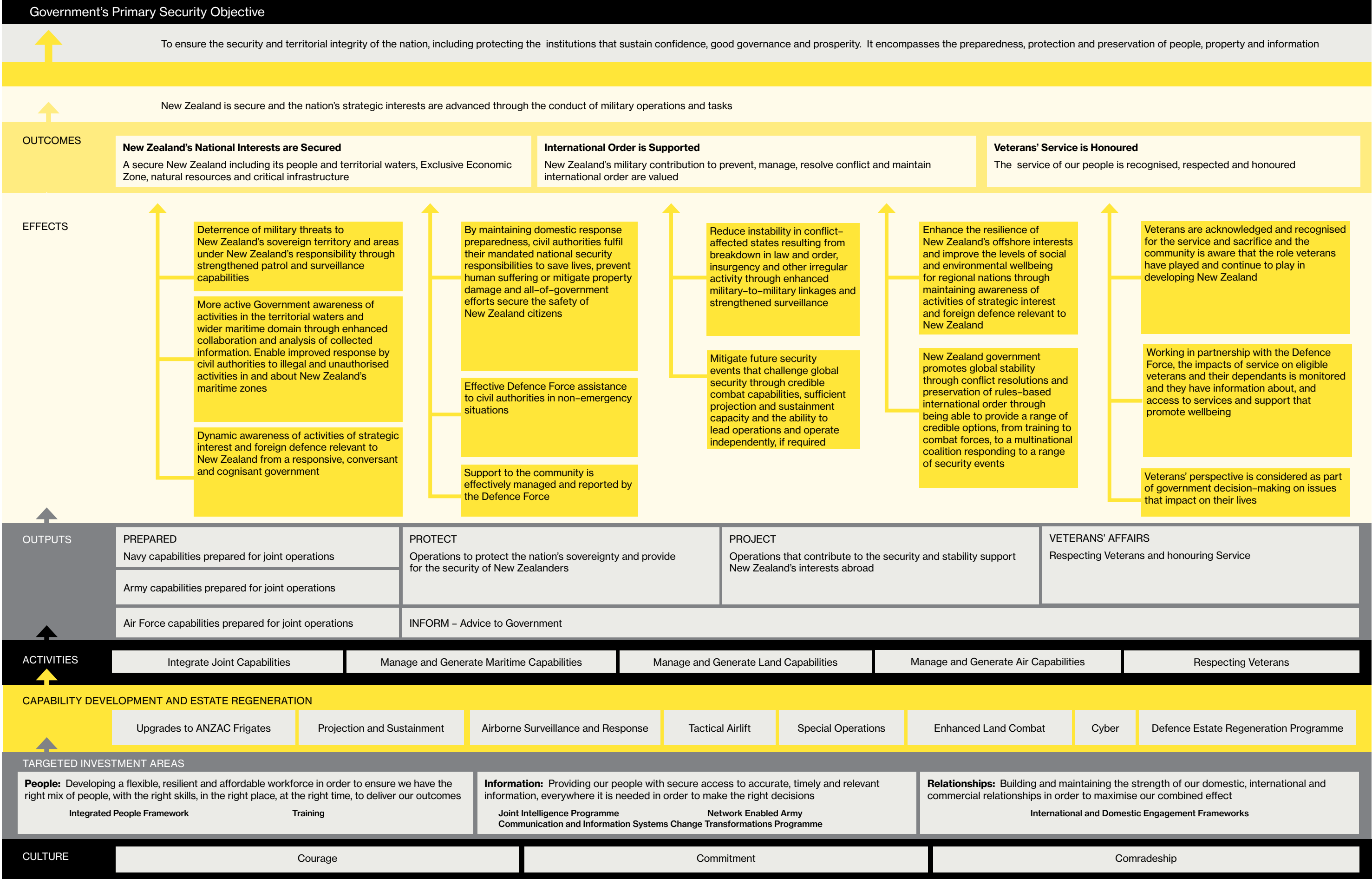
- meet current obligations and respond to future challenges that may shape New Zealand's wider national interests; and
- implement the Government's defence policy objectives set out in the *Strategic Defence Policy Statement 2018*.

Meeting the intent

The Defence Force protects and advances New Zealand's national security outcomes through a combination of government investment in output delivery and capability enhancement – both in terms of military equipment and the regeneration of Defence estate and infrastructure. The diagram below is illustrative of how the activities and outputs of the Defence Force, supported by capability enhancement, estate regeneration and a refreshed strategy, contribute to delivering the Government's defence policy priorities.

¹ The New Zealand Defence Force and Ministry of Defence.

Relationship between the Defence Force’s Activities, Outputs, Outcomes and Government Objectives



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 support 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

Secure New Zealand, including its people, communities, 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 non-military presence in the Ross Dependency and protecting marine resources under CCAMLR².

² Convention for the Conservation of Antarctic Marine Living Resources

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 communities, and protecting the nation's infrastructure;
- We have assisted the civil power to plan, prepare and exercise an 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 rules-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 FPDA³;
- If requested or mandated by the United Nations, especially in support of peace and security in the Asia-Pacific region; or
- If requested by a coalition of the willing international community.

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 to 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

This outcome focuses on recognising, respecting, and honouring the service of veterans to New Zealand.

The NZDF recognises and commemorates the contribution of all those who have served; and works with the Ministry of Culture and Heritage to mark the sacrifices of veterans, and to honour the service they have given to the nation.

Veterans' Affairs takes the lead in providing entitlements and rehabilitation for those whose service qualifies them for support under the Veterans' Support Act 2014. It offers support to those who have been injured or become ill as a result of qualifying service in the New Zealand armed forces. This includes access to medical care, rehabilitation, income support (pensions and related payments) and support to maintain independence.

An independent review of the operation of the Veterans' Support Act was concluded in March 2018. The Minister for Veterans has directed Veterans' Affairs to undertake follow-up work to address the recommendations arising from the review.

Veterans' Affairs is working to three main strategic priorities.

Bedding in a new rehabilitation strategy

A major strategic priority over the next four years is the implementation of a cross-sector veteran rehabilitation strategy. It marks a new approach to rehabilitation services, which is veteran-centred and cross-sector. The focus is on holistic case management, and working in strong partnerships with other agencies. Veterans' Affairs is supported in this work by Defence Health.

The strategy emphasises collaboration with service delivery agencies and advocacy groups so that physical and mental health issues (including post traumatic stress injury) can be managed most effectively. The initial work will include increasing veteran knowledge of what is available to those in need; developing health pathways that veterans can access simply and confidently; and improving the understanding of primary health providers (such as general practitioners) about the needs and issues which are of particular relevance and concern to veterans and their families.

Streamlining service delivery and introducing modern communication channels

Veterans' Affairs will be modernising and improving how business is done with its veteran clients.

Younger veterans want and expect to communicate differently from their older counterparts, so a new approach is being developed that will cater for the needs of both demographics. Plain English will be used in all written communications; a more modern and user-friendly website has been introduced; and more social media channels will be in use.

Veterans' Affairs is also exploring ways of enabling clients to do business on line. The application process is being simplified, and improved information management across NZDF will make access to service verification and medical information easier. This will facilitate quick responses to urgent or emergency situations.

Strengthening relationships with key stakeholders

Veterans' Affairs cannot do its work alone. It is only when everyone works together that the best possible support will be available to veterans when they need it.

Work will therefore continue to build relationships with key partners; including delivery partners such as the Ministry of Social Development and the Accident Compensation Corporation; and support partners such as the Royal New Zealand Returned and Services' Association, and the No Duff Charitable Trust. Both of these groups have strong community networks in place, which help Veterans' Affairs to connect with and support veterans in need.

This programme of work over the next four years will allow Veterans' Affairs to adapt to changing needs, so it can continue to support New Zealand veterans and their families.

We will know that 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 that veterans have played and continue to play in keeping New Zealand safe;
- the impact of service on eligible veterans and their dependants is understood and monitored; and Veterans' Affairs ensures access to services and support that will enable veterans to be well and independent and to achieve the best that they can for themselves, their whānau, and their communities; 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 the Defence Force delivers to the Government in return for the resources provided to the Defence Force. The Chief of Defence Force 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 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 an 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 domestic 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.

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 through Veterans' Affairs.



Strategy 2025 – An Integrated Defence Force

Underpinning these outcomes and outputs is a robust organisational strategy out to 2025, which aims to maximise the benefits to New Zealanders of the Government's investment by improving operational effectiveness, as well as improving organisational performance.

Our **vision** is to be an *Integrated Defence Force* by 2025 – a connected, coordinated and agile military organisation; our **goal** is to be effective in a rapidly changing world. The next four years are critical to our success if we are to achieve our **rallying point** of deploying and operating as a *Networked Combat Force* that validates:

- Our **military combat excellence**;
- The increased operational effect of enhancements in our **people, information** and **relationships**, and
- The **increased operational effectiveness** of enhancements to our **capabilities** and **infrastructure** to support operations.

We need to change the way we think about and invest in three core areas of our organisation – our **people, information** and our **relationships** – to ensure we are prepared to respond to the changing nature of warfighting and our operating environment. We need to continue to enhance our capability through the introduction into service of new platforms and equipment and the regeneration of our estate and infrastructure.

The key elements of our Integrated Defence Force strategy are depicted in the diagram on the following page.

- Our purpose;
- Our goal;
- Our rallying point, and
- Our vision.

The Defence Force is currently assessing, prioritising and sequencing its programmes of work to best deliver the benefits of investment in these core areas, as well as in our capability enhancement and estate and infrastructure regeneration. Completion of this assessment will provide a detailed roadmap for the next four years and indicative planning out to 2025.

In conjunction with this approach, we are refining the headline performance indicators and measures for each work programme, which will accurately show the benefits that will be delivered and also provide a management mechanism for the Defence Force's governance bodies to monitor progress.

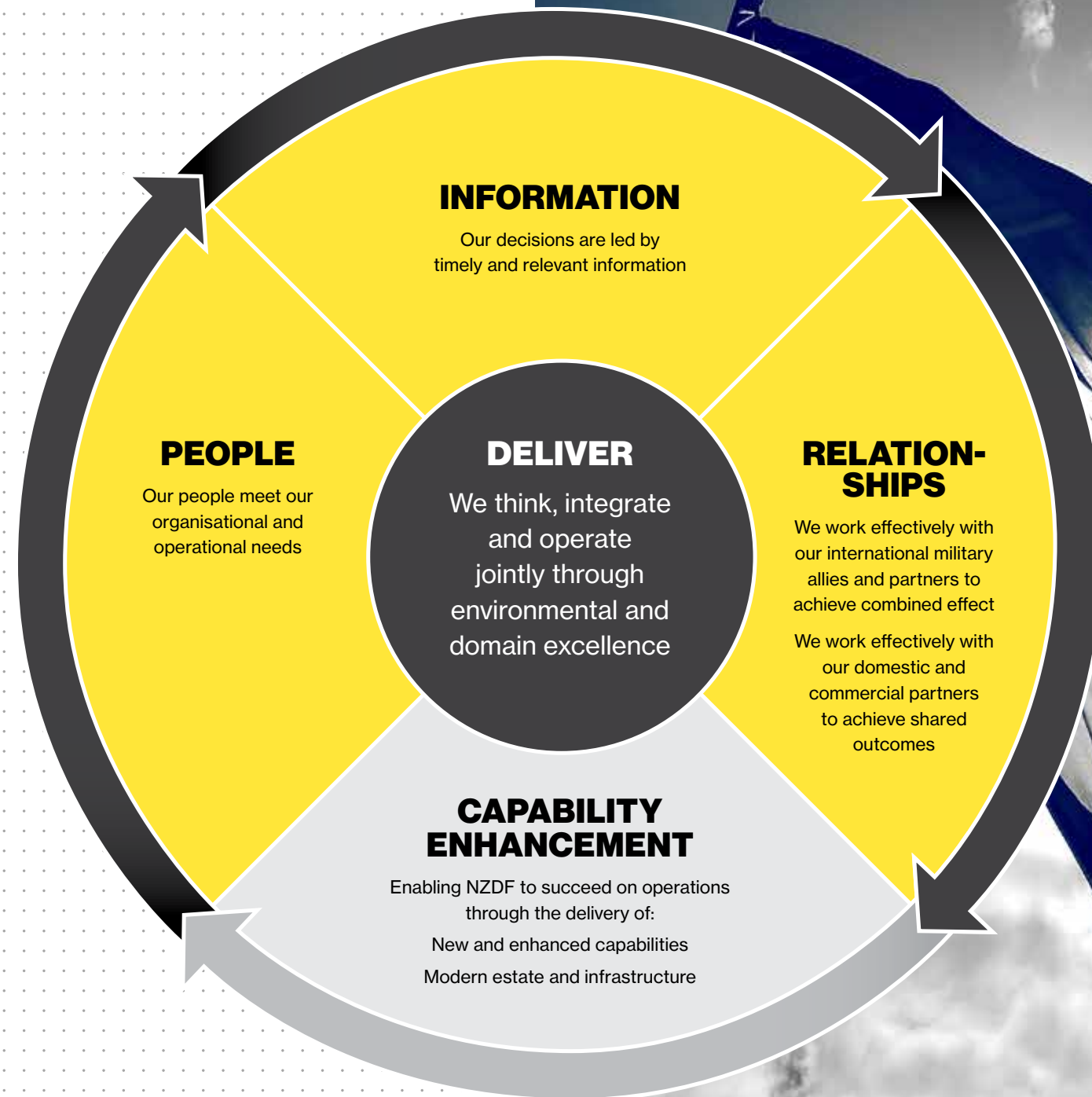
INTEGRATED DEFENCE FORCE 2025

OUR PURPOSE

WE ARE AN
ARMED FORCE
READY TO GO
INTO HARM'S
WAY TO KEEP
NEW ZEALAND
SAFE AND
SECURE

OUR GOAL

TO BE HIGHLY
EFFECTIVE
IN A RAPIDLY
CHANGING
SECURITY
ENVIRONMENT



OUR RALLYING POINT

IN 2025 WE WILL
DEPLOY AND
OPERATE AS A
**NETWORKED
COMBAT FORCE**

OUR VISION

TO BE AN
**INTEGRATED
DEFENCE
FORCE**

People

Balancing our investment for the future

People are the fundamental building block of all military capabilities and the Defence Force's single biggest investment. Ensuring the Defence Force can continue to deliver its outputs, while integrating a range of new platforms and equipment, requires a proactive approach to the management of this workforce.

Better workforce management

"Ensures we deliver the right people with the right attributes and skills at the right time and at sustainable cost"

Our objective is to build and sustain an affordable workforce with the right mix of people, with the right skills, in the right place at the right time to deliver our outputs. This is about recruiting the right people, retaining the right people, aligning the workforce with our operational needs and leveraging the value of diversity to deliver our outputs more efficiently.

The requirement to recruit and retain smart people will place the Defence Force in increased competition with other domestic and international employers. As a result, we need to continue to modernise and enhance the way we attract, support and reward a more diverse workforce.

New technologies will require new skill sets and increased complexity will require those with adaptable skills and need for science, technology, engineering and mathematical skills will combine, along with the need for people with high emotional quotient, independent thinkers and those who can work in teams.

We will deliver a sustainable workforce structure for the future Defence Force that is aligned to capability and output delivery. This will be done through the development of a sophisticated modelling capability and the establishment of accurate workforce data and intelligence including demand, requirements and cost.

There will be emphasis on the cadets, youth, and reserves, and building a pipeline for future talent and a flexible workforce, including the National Security Workforce⁴.

The Services will continue to develop their people as indicated by government priorities and our military outputs.

Meaningful career, talent and performance management

"Ensures we provide rewarding career pathways to maximise talent retention and prepare our people for careers in and outside of the NZDF"

In order to meet our workforce needs both now and in the future, changes are being made to the way we manage careers, performance and talent. A key driver of this change is to support the NZDF becoming an increasingly integrated Force. As a result of this integration, career and talent management must also be integrated, to ensure that we have one approach to identifying, appointing and developing our people. We will also focus on improving our performance management reporting system and educating our leaders on how to manage their people effectively.

Engagement of our people is important as engaged people are more likely to stay with an organisation and contribute to organisational success and objectives. We are committed to improving our engagement index across the organisation and plan to survey our people to listen to their views and incorporate this into our work.

We will know we have successfully met this challenge when the Defence Force has a skilled and sustainable workforce able to deliver defence outputs now and in the future

⁴ The National Security Workforce team is a cross-agency initiative, which is building career paths and the capability and capacity of the national security workforce, particularly those operating in the highly-classified space.

A more inclusive and diverse NZDF

"Ensures we attract and retain the future workforce that increases our operational effectiveness"

We are 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).

We will refresh our approach to diversity and inclusion including repositioning our work on Wahine Toa (previously More Military Women) and continue to embed our values of courage, commitment and comradeship through Operation Respect. This was launched in 2016 and it's overall aim is that all our people can perform their duties in an environment free from inappropriate and harmful behaviour, one that is mutually respectful and inclusive for all.

Our refreshed NZDF Sports strategy will focus on a more inclusive way of delivering sport management for our people, with an emphasis on supporting the Invictus Games and the adaptive sports.

Protect and support our people throughout their career journey

"Ensures we uphold and strengthen the unique relationship between the NZDF and its people"

We have made an investment in health, wellness, family resilience, veteran support services and financial wellbeing for our people. Whether they are serving domestically or internationally we have an obligation to keep our people safe and also ensure support is in place to respond and thereby ensure our people's health and wellness.

The Directorate of Health will deliver comprehensive military health services to its personnel commensurate with the work they do and duties they undertake. This includes personnel and services that work across a broad health remit; from health protection, medical and oral health care, through to occupational health and hygiene, mental health, wellness, spiritual health, physical performance, and rehabilitation, in a manner that ensures the delivery and support for all in their operations and activities.

Veterans' Affairs operates under the Veterans' Support Act 2014. It is responsible for providing support and services to those who have been injured or become ill as a result of qualifying service in the New Zealand Armed Forces or the NZDF. Once a veteran with qualifying service leaves active service in the NZDF they become eligible for entitlements, including services and support, under the Veterans' Support Act 2014, should they have, or later develop, a condition which is caused or aggravated by their service.

Develop highly trained warriors and leaders for integrated military effects

"Ensures we produce leaders and warriors with the right capabilities to fight and win in the joint environment"

We continue to invest in learning and development. We require a diverse workforce of highly skilled leaders and personnel and have initiatives to support their development that are tailored to their needs and aspirations as well as the needs of our organisation.

Through the creation of a Defence Academy and an enhanced training and education system, we will provide individuals and teams with the skills, culture and capability they need. We will develop the business case for this in 2018.

Get the basics right

"Ensures our people policies, systems, advice and support is reliable and trusted"

We will continue to improve how we deliver HR services, this involves a more service member and civilian centric focus embedded at every level to maintain trust in people practices and in the services provided from the centre.

Information

Meeting the information needs of a modern integrated Defence Force

The Defence Force operates its information and communications networks in a technically hostile environment. We need to move beyond the traditional provision of technology to focus on how the Defence Force integrates, orchestrates and brokers information and communication services to support the broader needs of the modern integrated Defence Force. To achieve this we need to build information capabilities that are interoperable, integrated and recognise the need for greater cyber defence.

We are focusing on the end to end operation, cyber defence and sustained evolution of our information environment so that the Defence Force can exploit and use information and communications services like any other military capability.

Well informed commanders

By 2025, commanders will have the right intelligence and information, in the right place and at the right time, to support operational decision making. This is about giving our people the skills to demand and use information in ways that increase our operational effectiveness. It is also about providing secure access to the right information all the way to the edge.

We expect to have commanders who know what information to demand so they can make the best decisions quickly and a system oriented to push that information to them, or respond when it is demanded. An example of this is the Networked Enabled Army, which uses modern communications systems and computer technology to enhance shared situational awareness, enables information exploitation and improves joint interagency and multinational interoperability.

A common digital platform

Through the Communications and Information Systems Change and Transformation Project we intend to build and defend a common digital platform. The common digital platform is comprised of the necessary technology (hardware and software), and people and processes required to support the Defence Force's information needs and enable interaction with our partners. This platform will enable anywhere anytime access to secure digital services, regardless of the security domain or operating environment. All communications will be delivered with speed from the data centre to the tactical edge.

The major business cases for digital workplace and analytics are following the Government's Chief Digital Officer's cloud first strategy. This includes moving the Defence Force towards 'as-a-service'⁵ offering major information solutions where appropriate. Our centralised analytics capability is implementing metadata standards consistent with the Government's Chief Digital Officer advice, which will enable future interoperability of our data with the security and other sectors.

As the Defence Force moves to 'as-a-service' delivery and management of information capability, partnering with specialist suppliers is critical. The Defence Force will retain control, accountability and leadership, with the partnership allowing the respective parties to focus on their areas of expertise to consistently deliver fit for purpose capability for the greatest benefit to the Defence Force and sector partners.

We will know we have met this challenge when the New Zealand Defence Force has access to and utilises secure, timely, reliable and accurate information wherever it is required

⁵ The processing capacity and capability will increasingly be sourced through service providers. Initially this is being provided through All of Government syndicated Data Centre facilities and Infrastructure-as-a-service offerings. These offerings provide for scalability and resiliency of service.

Enabling better decision making through our information systems

Our information work programmes are focused on ensuring the use of the information asset is maximised to enable better decision making. Information programmes and initiatives are being aligned via governance mechanisms such as the Digital Workplace steering group and through the Defence Force Information Strategy.

To achieve our objectives we are:

- Gaining a better understanding of the information needs of our organisation both now and in the future;
- Developing an information and communications technology architecture that enables information to be securely collated, sorted and disseminated;
- Creating an environment where the right people get the right information and the wrong people do not;
- Developing the capability to bring a broad range of operational information together, analyse it and use it to inform decisions;
- Enhancing the integration of our control and command systems; and
- Improving our ability and capacity to support, secure and respond to our information needs, including reducing the impact of cyber attack or system failure.

An intelligence-led Defence Force

The Joint Intelligence Programme is a major programme of work which will provide an intelligence function for the Defence Force to become 'intelligence-led'. This will support all military capabilities, provide better knowledge of our operating environment, reduce the reputational risk of intelligence failure, and maximise the benefits of investment in intelligence, surveillance, and reconnaissance capabilities.

Defence Intelligence will continue to provide Defence Force leadership and the wider government with military intelligence reporting and strategic intelligence assessments relating to New Zealand's area of responsibility (South-West Pacific) and intelligence in support of Defence Force deployments worldwide. GEOINT New Zealand's geospatial intelligence capabilities will be fused with other forms of intelligence through a proposed new interactive database to provide a comprehensive picture of New Zealand's area of responsibility in support of future operational activities. Defence Intelligence will lead this development.

The Joint Intelligence Fusion Centre will provide Headquarters Joint Forces New Zealand with enhanced situational awareness at the tactical and operational layers.

Ongoing challenges and risks

The Defence Force faces a number of ongoing challenges and risks. Through this Statement of Intent we are looking to mitigate the following challenges in the area of **information**:

- Up to date information and communications technology platforms;
- Availability, resilience and vulnerability of critical information assets;
- Information management, security and cyber;
- Trust and interoperability with military partners and being a valued security partner in a data centric, integrated environment;
- Inability to keep a workforce skilled in the area of information and communications technology skills, and
- Multiple layers of change impacting on technology support areas, including artificial intelligence.

Relationships

Managing key relationships in a complex environment

As an agency charged with protecting and advancing New Zealand's national security interests, our primary customers are the people of New Zealand, both at home and overseas.

The Defence Force and the Ministry of Defence work very closely together, drawing on their strong, separate military and civilian perspectives. Every day the Defence Force works with partner organisations internationally and within New Zealand, with other non-government agencies, business and industry, and community groups. Within New Zealand, the Defence Force supports a wide range of other government agencies to deliver their outcomes. Internationally, we work with international governments and militaries to deliver shared outcomes that range from humanitarian assistance, capacity building to the cessation of conflict.

The increased level of complexity across governmental departments, community, voluntary organisations, business, industry and academia demands a structured approach to managing key relationships. We need to ensure that we have the right relationships in place enabling us to operate decisively, effectively and collaboratively.

An interoperable and prepared Defence Force

By 2025, our Defence Force will be interoperable by design, nationally and internationally, enabling the joint delivery of our outcomes. Together with our partners we will be jointly prepared for expeditionary operations. This requires us to build and maintain the strength of our domestic, international and commercial relationships.

Effective domestic and international security partnerships

Maintaining effective domestic partnerships is a core function of our effectiveness within New Zealand's security sector. We need to identify our key domestic partners and develop an understanding of the challenges they face, incorporating the resulting information into the way we contribute to all-of-government efforts to provide for the nation's security wherever possible.

New Zealand's capacity to engage in defence diplomacy with security partners relies heavily on the skills of all members of the Defence Force, including those in posts overseas, and the resources made available to them. The planning and engagement with our security partners is driven by the *International Defence Engagement Strategy*; a high-level strategy that guides the prioritisation of New Zealand's international defence activities.

We will know we have successfully met this challenge when we are working effectively with our international military partners as well as our domestic and commercial partners to achieve shared outcomes and combined effect

Contributing to regional security

New Zealand's security is enhanced by maintaining a variety of international linkages, including bilateral relationships with like-minded states. Such relationships help to reinforce shared international norms and amplify New Zealand's reach and influence; thus benefitting New Zealand. But they also bring with them expectations, including being willing to play our part to advance shared security objectives.

Over the next four years, the Defence Force will continue to develop its reputation as a trusted regional partner. We will work closely with traditional and new partners in the region to support regional security and build local resilience.

The Deployable Joint Inter-Agency Task Force Headquarters will remain a critical component when projecting New Zealand's operational command capability and support capacity for governmental and non-governmental agencies in responding to potential regional and possibly global security issues. This Headquarters will be at the core of planning, refining and executing a series of exercises, to further test the Defence Force's Joint Task Force and progress towards an *Enhanced Combat Capability in 2020* and the *Networked Combat Force* construct to test the *Integrated Defence Force*.

Our relationship with the New Zealand public

Increasing our contribution to youth training and education initiatives is being scoped. This would include doubling the number of Limited Service Volunteer Scheme trainees from 800 to 1,600 per year as signalled by the Government, and providing support to the Government's youth initiatives. Such initiatives will involve the Defence Force continuing to working in close partnership with relevant government agencies and the community.

Being understood and trusted by the public is a key determinant of the Defence Force's ability to recruit in future, for Service people to be able to wear their uniform in public proudly, and for the public to accept the Defence Force's help in the event of an emergency. Following significant earthquakes in both Christchurch and Kaikoura, the Defence Force's capability has been more visible to the public leading to an increased level of confidence and support. The Defence Force does not take this for granted and we will continue to work to earn and maintain that confidence.

Commercial partnerships

The Significant Service Contracts Framework was introduced across government in the latter part of 2016. By adopting a Significant Service Contracts Framework, the Defence Force is able to maintain appropriate stakeholder relationships with key suppliers or service providers for services. These are critically important to the business, and pose significant risk and/or significant impact in the event of supplier failure.

Ongoing challenges and risks

As with the other two areas of strategic focus we continue to face ongoing challenges and risks in the area of **relationships**. This Statement of Intent intends to achieve the following:

- Understanding and managing very broad and complex stakeholder groups;
- Maintaining and building our key international and domestic partnerships and relationships (military and non-military);
- Executing an enterprise approach to 2025 strategy delivery, and
- Understanding and managing performance of key vendors and critical service contracts and supply arrangements.

In order to provide credible military response options to the government in the future, the Defence Force will also work with other government agencies to support the development of a national security system approach to the lawful use of artificial intelligence technology and to maximise the return on investment for this capability.



D.O.C

SOUTHERN ISLANDS

Operating Environment

3

This section explains:

- Key expectations of the Defence Force;
- Defence Force's relationship with other departments and agencies;
- 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 to give effect to the Government's intentions.

Key expectations of the Defence Force:

- Generate on demand mission-capable, prepared military forces to conduct specified military and national support missions that contribute to New Zealand's national security objectives;
- Provide clear and timely strategic direction to Government on the employment of the Armed Forces with minimum risk;
- Integrate fully capable maritime, 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, provide high quality professional military advice to the Government;
- Support and honour our Veterans; and deliver on the Government's capability requirements and provide value to the Government.

General expectations:

- With the Ministry of Defence, support Ministers' decision making to develop defence policies and operational advice, which meets New Zealand's national security priorities, 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.

Defence Force's Relationship with other Departments and Agencies

For vote appropriation purposes, the Defence Force is part of the External Sector, which is administered by four departments – the 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.

Every day the Defence Force is working with partner organisations internationally and within New Zealand, with other government agencies, business and industry, and community groups. The Defence Force contributes to the success of other organisations in achieving their outcomes, or works with others to enhance the way we deliver our outcomes to New Zealand and New Zealanders.

Although the principal role of the Defence Force is the preparation of military forces for contingencies, the Defence Force also makes substantial contributions to other government departments and agencies, international military and diplomatic partners, and the community of New Zealand.

While the Defence Force's principal contribution is in the security sector, it also makes a significant contribution to the intelligence community, youth and social sectors, the education and training sector, the aviation, maritime and transport sectors, primary industry and conservation, and the external sector including Customs and the Ministry of Foreign Affairs and Trade. The Defence Force also successfully partners with non-government and voluntary organisations, business and industry.

The nature and scope of the Defence Force's role in each sector is as varied as the sectors themselves; the Police Act provides Defence Force personnel specific powers to aid the civil power, naval personnel perform the roles of Fisheries Officers and Defence Force personnel provide an important role in rural fire-fighting. Defence Force personnel contribute to policy development as secondees to other government departments, and we regularly contribute to multi-agency planning and exercise activities.

Consistent with government policy, the Defence Force is building partnerships with industry. The Defence Force continues to investigate alternative ownership and management models where these are appropriate, including public-private partnerships. The delivery of Defence Force facilities management services, for example, is now supported by a range of industry and commercial partners.

The Defence Force maintains strategic alliances with a range of industry partners to support its work, including the maintenance of ships and aircraft. These alliances will assume greater importance in the coming years as the Defence Force replaces its major capabilities.

The Defence Force will also contribute to the *Government's Living Standards Framework* by:

- Providing quality public services for all New Zealanders and improving access to core services such as health and education – through maintaining the health and wellbeing of our people and extending youth education, leadership development, and training programmes such as the Limited Service Volunteer Scheme;
- Taking action on child poverty and homelessness – through support to youth life skills initiatives;
- Supporting families to get ahead and sharing the wealth generated by our economy with a wide range of New Zealanders – through protecting New Zealand's security interests and access to trade;
- Sustaining economic development and supporting the regions – through regional Defence Force reserve units, youth facilities, support to hui of national significance and through involving regional communities in Defence Force exercises and activities, and
- Managing our natural resources and taking action against environmental challenges such as climate change – through supporting environmental agencies and protecting our oceans and natural resources.

The Defence Force's relationship within the External Sector and other departments and agencies is shown on the following page.



Key Operating Environment Challenges

The period covered by this Statement of Intent will be a challenging one operationally. As challenges in our neighbourhood and further afield intensify, the Defence Force will have to act in new ways and at new levels to protect New Zealand's values and interests.

While we will conduct some missions on our own, most Defence Force deployments will be undertaken alongside other government agencies and our international partners.

There are some gaps in maritime capability due to upgrades and new replenishment and diving vessels, however, the Defence Force will maintain its current operational capability and add enhancements in areas like cyber capability, and an expanded capability to deliver operations in the Southern Ocean and support to wider government activities in Antarctica.

These new roles require new equipment, new ways of working and people with new skills. At the same time, the Defence Force is bringing in new platforms and tools to bring its existing operational capabilities up to date.

The NZDF will continue to deliver current operations at home and abroad and to maintain the levels of operational readiness. Balancing new roles, new equipment and existing commitments creates specific challenges that the NZDF Board and senior leadership will focus on over the medium term. These are shown on the next page.

NZDF Strategic Risks

Strategic risks are the high-level uncertainties that have the potential to materially affect the achievement of our strategic objectives.

These strategic risks were elaborated through the 2025 Strategy Acceleration process. These risks will need to be understood and managed as we plan for, prioritise against, and deliver our 2025 vision.

They will form the basis for both performance management and risk management over the period to 2025. Both performance and risk management will be fundamental enablers of the execution of the NZDF 2025 strategy.

Building and Maintaining Trust

- Without the trust of our Ministers and stakeholders (incl. partners, industry and the public) we cannot operate effectively. Maintaining and building trust of our owners and stakeholders must be a core consideration and central to all risk decisions.

Strategic Execution

- Failure to deliver what we say we will in terms of strategic intent and medium term plans
- Failure to respond to rapid changes in the domestic or global environment

Scale and Speed of Change

- Failure to understand the complexity of the change required to achieve the outcomes sought
- Failure to understand overall organisational change capacity and then manage the cumulative change impact in order to fully realise the benefits of change and investment

Sustainability of Our People and Workforce

- Failure to sequence and reconcile our people pipeline (recruitment through to departure) and build the right culture in order to manage for optimal outcomes and keep our people safe

Sustainability of Military Capability

- Failure to maintain Stewardship over military capabilities and the erosion of our ability to have operationally ready those capabilities critical to the delivery of government outcomes

Leverage of Information as a Strategic Asset

- Failure to understand, protect and value our information as a strategic asset
- Failure to invest in an information infrastructure built for the future

Increasing Cost of Being in Business of Defence

- Cost of being in business and being able to mirror our partners and be interoperable with them becomes unaffordable and unsustainable

What NZDF Can't Lose Sight Of

While the Rallying Point provides a focal point for change, it does not change the role and accountability of the New Zealand Defence Force.

NZDF's reason for being is to deliver on operations, whether at home or abroad. This is supported by activities ranging from operational readiness and relationship management to regulatory compliance.

Operational performance and risk management will ensure we continue to deliver today while we build for tomorrow.

Military Operations and Assistance to Civil Authorities

- International
- Domestic

Output Delivery

- Readiness to deliver core warfighting capabilities
- Services to both Veterans and Youth
- Ministerial servicing
- Advice to government
- Ceremonial and Heritage

Capability development

- Capital portfolio delivery
- Introduction into service
- Capability release

Partnerships

- Maintain connection with Five Eyes and other military partners including access to intelligence
- Maintain our relations with international and domestic partners at the agreed levels

Personnel

- Recruitment
- Staff engagement
- Health and Safety
- Staff retention
- At-risk trades and skills

Reputation

- Benefits realisation
- Legislative and regulatory compliance
- Public relations and media management
- Financial management

Stewardship

- Long term viability
- NZDF culture and the maintenance of the military compact

How will our strategic risks be managed?

Building and Maintaining Trust

- actively understanding, maintaining and building the trust of the Government, partners and stakeholders; and
- demonstrating that the Defence Force can deliver what is agreed in terms of the *Statement of Intent* and the *Strategic Plan*.

Strategic Execution

- ensuring that the organisation is efficient, resilient, fiscally-responsible and sustainable;
- ensuring that the Defence Force can continue to successfully deliver Outputs including military assistance to civil authorities;
- ensuring that the Defence Force can successfully deliver the range of capabilities required by the Government's defence policy objectives; and
- ensuring that benefits are realised and tracked.

Scale and Speed of Change

- understanding the complexity and scale of the change required to achieve the outcomes sought; and
- understanding the Defence Force's overall capacity for organisational change and managing the cumulative change impact to realise fully the benefits of change and investment.

Sustainability of Our People and Workforce

- understanding and managing workforce cost;
- ensuring that the health and wellbeing of Defence Force personnel and staff have a very high priority;
- ensuring that Defence Force personnel have the capacity to deliver and to sustain high performance;
- ensuring that Defence Force personnel have the skills and equipment they need to do their tasks;
- ensuring that the Defence Force can attract and retain personnel with critical skills; and
- ensuring that veterans continue to be supported effectively.

Sustainability of Military Capability

- maintaining stewardship of our military capabilities and being transparent about what we can deliver against the increasing cost of maintaining obsolete and ageing fleets;
- ensuring operational units and enabling functions have the capacity to deliver capability and to sustain that delivery; and
- ensuring that the Defence Force has the flexibility to adapt operations in response to new and emerging requirements.

Leverage of Information as a Strategic Asset

- understanding, protecting and valuing our information as a strategic asset; and
- investing in an information infrastructure and capability built for the future

Increasing Cost of Being in Business of Defence

- ensuring that the Defence Force makes best possible use of its financial resources and its people to ensure the Defence Force is sustainable in the long term; and
- understanding cost structures and drivers and managing them actively.



Organisation Health And Capability

4

The delivery of Defence Force strategy is underpinned by a number of shared and enabling capabilities. Those that are the most significant to this Statement of Intent – people, information and relationships have been discussed under the Strategic Direction section. This section covers the key enablers, which will ensure our strategies are delivered in a balanced and prioritised manner.

Capability Development

In the next phase out to 2020, capability development will focus on enhancing the Defence Force's ability to conduct operations and expanding its intelligence, surveillance and reconnaissance capabilities in order to meet the Government's defence policy priorities. By 2020, with the Joint Task Force at its core, the Defence Force will be capable of projecting and sustaining land and maritime forces with increased combat utility, either on its own or as part of a wider coalition.

From 2020 out to 2025, the Defence Force will focus on developing capability sets and effects that are combinations of a variety of enhanced military components from across the three Services.

Enabling the Defence Force – *Enhanced Combat Capability 2020*

Subject to the outcome of the Defence Capability Plan review, a programme of government capital investment has been identified to maintain the Defence Force with up-to-date capabilities, that are valued by our close partners, and that can respond to a range of contingencies and security events. Realising the capability intentions set out in this Statement of Intent will mean that by 2020, the Defence Force will have enhanced its combat and combat support capabilities on maritime, land, air and joint warfare operations, including the capabilities in the evolving information environment.

The Defence Force will also have enhanced its ability to:

- support other New Zealand government agencies, both domestically and as part of all-of-government operations overseas; and
- operate credibly alongside our international partners in the contemporary environment.

The Defence Force will remain an expeditionary force able to project and operate on its own or as part of a coalition. By 2020, the Defence Force will have further developed its command, control, computers and communications, intelligence, reconnaissance and surveillance, and dive and hydrographic capability. These capabilities will enhance its ability to conduct reconnaissance and environmental assessment. Combined with a new Maritime Sustainment capability, forces will be better able to be deployed and sustained in the South Pacific. The enhancements in our combat capability expected by 2020, the next milestone towards our *Integrated Defence Force* are summarised in the table below.

Enhanced Combat Capability 2020

Better Understanding

- Frigate Systems Upgrade
- Maritime Sustainment Capability
- Dive and Hydrographic Capability
- Maritime Patrol Capability
- Joint Intelligence Programme

Better Decisions

- Improved governance
- Revised Operational Level Command and Control

Shared Awareness

- Defence Command and Control System
- Network-Enabled Army
- C⁴ISR⁶

Business Intelligence

- Knowledge Management Strategy
- Improved management systems

Joint Forces

- Joint Task Forces
- Joint Defence Services

Multi-national

- International Defence Engagement Strategy
- Investment in interoperability

Alongside government

- Shared sector strategy
- Stakeholder Engagement Framework

⁶ Command, Control, Communications, Computers and Intelligence, Surveillance and Reconnaissance



Key Capability Investments

The core task of the Defence Force is to conduct military operations, in particular combat operations. The Defence Force maintains a range of capabilities for the delivery of combat effects on both land and at sea to enable it to defend New Zealand's sovereignty, meet New Zealand's alliance commitment to Australia, respond to security events in New Zealand's neighbourhood, and contribute to international peace and security further afield.

The key capability investments over the term of this Statement of Intent are in the following areas:

- Antarctic and Southern Ocean operations;
- Air Surveillance, Air Transport and Tactical Air Mobility;
- Dive and Hydrographic Capability;
- Cyber protection and support, and
- Intelligence support.

The following paragraphs describe key capability investment projects that are either underway or due to commence within the period of this Statement of Intent subject to meeting the Government's defence policy priorities with the outcome of the Defence Capability Plan review.

Cyber

To meet an increasing cyberspace threat, the Defence Force will develop a new cyber support capability to improve the protection of our networks.

Integrated intelligence, surveillance and reconnaissance assets

The Defence Force will have a range of integrated intelligence, surveillance and reconnaissance assets available to provide all weather, 24-hour capable surveillance in New Zealand's Exclusive Economic Zone and over any deployed Defence Force elements.

Upgrades to the Anzac Frigates

The Anzac frigates will have their systems upgraded to ensure they are able to defend themselves and others in a coalition environment, and improve their capability to prosecute air, surface, and sub-surface targets. On completion, the frigates will provide the Government with a wide range of maritime combat options by being able to contribute to regional and global security operations and provide improved support to amphibious forces.

An ice-strengthened Ocean Patrol Vessel

During this four year period the Defence Force will allocate resources to the acquisition project for an ice-strengthened Ocean Patrol Vessel, and provide for additional personnel and support mechanisms to integrate the vessel with the two current Offshore Patrol Vessels into the Fleet. Increasing the capacity of the Naval Patrol Force will enhance the Defence Force's contribution to all-of-government efforts to secure borders, observe and record maritime activities and manage marine resources. Naval Patrol Forces will also render support to search and rescue operations, maritime counter-terrorism operations, humanitarian assistance and disaster relief operations.



Projection and sustainment

The arrival of the new *HMNZS Aotearoa* in 2020 will enable the Navy to refuel and sustain New Zealand and partner forces both at and from the sea once introduced into service. The new capability will be ice-strengthened, enabling the vessel to supply fuel and other goods to Antarctica in the summer months, once an ice-breaker has cleared a channel through the ice. When combined with other capabilities, it will offer options for the sustainment of ground forces, and supporting humanitarian assistance and disaster relief missions, primarily within the South Pacific.

Littoral Operations and Support Capability

A dive and hydrographic vessel to be introduced within the next few years will deliver an enhanced capability able to support diving, hydrography, underwater search and recovery, salvage, and other activities. These systems will be able to support other government agencies around New Zealand and in the South Pacific. This vessel will also allow the Navy to rebuild its deep diving and underwater search and recovery capabilities and position the Navy to step up to more advanced capabilities when required at a later date.

Enhancing land combat capability

Enhancements in land combat capability, in the form of continual soldier modernisation, improved protected mobility, new and upgraded weapon systems, and enhanced C4ISR capabilities, will support more capable, better-protected, land forces with greater situational awareness that are ready to undertake Joint Land Combat and Population Protection tasks.

The Network Enabled Army programme will continue to enhance Army's ability to command land forces at the Task Group level⁷. We will also ensure that Army has infrastructure and equipment management practices that allow outputs to be generated efficiently well into the future.

Special Operations Forces capability

A tailored selection of special operations forces capabilities will allow greater flexibility and resilience for Joint Land Combat operations across a wider range of operational environments. These capabilities will be reviewed and adaptive to change in support of outputs; enabled by a comprehensive and sustainable special operations forces rolling capability refresh.

Airborne surveillance and response

The Royal New Zealand Air Force operates a fleet of P-3K2 Orion maritime patrol and surveillance aircraft, to perform a variety of tasks. The following upgrades are planned for the Orion aircraft fleet:

- Increasing the satellite communications bandwidth available to the Orion will take place over the next three years, enabling the aircraft to receive and transmit larger amounts of mission data to headquarters elements while airborne. Upgrading the underwater intelligence, surveillance and reconnaissance technology on the Orion fleet to better detect and deter underwater threats is also scheduled to be complete by 2019.
- Upgrading navigation systems to meet air traffic compliance standards.

Reflecting the age of the fleet of six P-3K2 Orions, the Government has announced the purchase of four Boeing P-8A Poseidon maritime patrol aircraft. The P-8As will be in service in 2023 and will ensure the Defence Force retains an airborne intelligence, surveillance, reconnaissance, response, and maritime patrol capability.

⁷ Army forces are task organised depending on an increasing level of command and control from discrete Task Elements through to Task Units or Task Groups.



Naval air operations

The SH-2G(I) Seasprite helicopters provide surface warfare missions and surveillance operations for the Royal New Zealand Navy, along with underwater warfare, search and rescue and aero-medical evacuation. Further investments will be made in the new Seasprite fleet out to 2023 to ensure they deliver their full suite of capabilities, including communications equipment and software support.

Tactical air mobility

Utility helicopters provide combat and logistics support, including the tactical delivery and extraction of troops, logistic sustainment and aero-medical evacuation. The following projects are underway:

- Investments will be made to maintain avionics compliance and cutting edge systems on-board both the NH90 and the A109 as they progress through their life.
- Procuring a flight simulator facility for the NH90 before 2020. This would improve the quality and efficiency of pilot training as well as being essential to producing the full capability as it grows towards 2020.

Tactical and strategic airlift

The C-130H Hercules provides the tactical airlift and air-drop capability for the deployment of personnel and equipment in New Zealand's immediate region and further afield. The Boeing 757 aircraft provides longer-range strategic airlift for personnel, including VIP flights and troop deployments. It can also be converted to carry palletised cargo. The following will occur in the next four years:

- A project will take place during the period of this Statement of Intent to ensure that the B757 satellite and navigation avionics meet modern air safety compliance standards.
- A Future Air Mobility capability project is underway to consider options for replacing the current tactical and strategic airlift fleets, which is expected to deliver new aircraft to the Defence Force during the early 2020s.

Pilot training

The Defence Force provides in-house training for pilots, at the Basic and Advanced levels. A fleet of purchased Beechcraft T-6 Texan II turboprop air trainers is used in both phases of training, and leased B350 King Air for multi-engine conversion training, for the training of C-130 and P-3K2 pilots.



Ongoing challenges and risks

Ongoing **capability** challenges and risks which this Statement of Intent aims to address are:

- Maintaining contingent military capabilities that can respond to unpredictable or unforeseen events, in addition to fulfilling concurrent deployments and missions;
- The need to embrace technological changes associated with introducing significant, complex and new military capabilities that the Government is investing in, including the critical enabling functions required to render them both proficient and fully operational;
- Balancing capability, policy and funding, and
- Ensuring our organisational change is closely aligned to our core purpose and future capability requirements.

Asset Management

The Defence Force is an investment intensive agency and has an ambition to be at a more advanced level of asset management during the life of this Statement of Intent. The Defence Force therefore has set a goal to be proactive and future focused in its asset, risk and resource management. The Defence Capability Change Action Programme, the Defence Estate Regeneration Plan and defence estate and infrastructure organisation roadmap recognise the need for more mature estate asset management. Developments in this area will include:

- A comprehensive suite of estate asset plans linked to the Defence Force's strategic intent through a new Estate Strategy;
- A review of the national strategic level Asset Management Plan first completed in 2010, and the creation of individual asset management plans for each major camp or base;
- Improved definition and responsiveness to known risks including to underground utilities and water services and the users of those services;
- Improved asset data collection and management information;
- Agility in how assets support the Government's national property goals and processes including how assets support security and resilience objectives;
- Improved asset through-life costing and management; opportunities for bundled, private sector or shared asset provision; and options for non-asset solutions;

- Organisational development to reinforce excellence in integrated asset planning and management;
- Improved monitoring of asset performance and benefits realisation and;
- A refresh of the Defence Estate Regeneration Programme and plan to 2030 against the *Integrated Defence Force* strategy, estate investment objectives, priorities and asset lifecycles including:
 - A transition from reactive asset recapitalisation to investment in a substantial tranche of functional regeneration and asset support to new capabilities;
 - Facilitating organisation development including consolidated logistics and consolidated learning; and
 - Development of a sustainability framework to guide future investment in infrastructure and management of the defence estate.

This is expected to highlight significant cost pressures based on the indicative estate regeneration budget. For example, provision for water infrastructure was not explicitly provided for in earlier programmes of work.

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 Defence Force elements deployed on operations.

The Defence Force is demanding more from its logistics support activities as it moves towards 2025 and beyond, with emphasis on the need for logistics to be as efficient as possible whilst continuing to contribute to output delivery. We have driven efficiencies within logistics functions, for instance reducing the overall number of personal weapons needed to equip our forces, and are utilising these efficiencies to reinvest in enhanced military capabilities. To continue to achieve this going forward, the Defence Force is managing multiple minor project enablers, continuous improvement activities, compliance elements, a transformed maintenance, repair and overhaul programme and the Consolidated Logistics Project.

By 2021/22 the Defence Force Logistics organisation will have transformed, following five years of business change, into a year of stabilisation and consolidation. It will be positioned to meet current activities and will have prepared and shaped the logistics elements within the Defence Force to effectively and efficiently support and enable the delivery of the Defence Capability Plan and be positioned to receive the new capabilities into service out to 2030 and beyond.

By 2021/22 the Defence Force Logistics organisation will have transformed, following five years of business change, into a year of stabilisation and consolidation.

Estate and infrastructure

Regenerating the Defence Estate

As a significant Crown asset, the Defence Estate also supports other government agencies and the community. It provides a valuable resource for maintaining connections with New Zealand's security partners through operational and training locations. Current Defence policy sets out specific estate goals for the Defence Force which will be delivered through the Estate Regeneration Programme 2016–30 in a Cabinet approved investment sequence aligned with investment objectives. This programme aims to provide a resilient, responsive, affordable, sustainable and safe work environment. The Regeneration Programme, including the planned investment sequence, will be refreshed during 2018.

Investment in estate and infrastructure supports and mitigates risk to the Government's national property goals by ensuring the Defence Force's output delivery is not compromised by asset failure or degradation. We also align with the national property goals regarding the provision of office accommodation.

Health, safety and compliance

Estate-related health, safety and compliance is a key focus of the first tranche of the Estate Regeneration Programme including, for example, improvements to accommodation, messing and dining facilities.

Base upgrades and developments

Camp and base upgrades and developments are planned (subject to funding) including:

- Improved resilience including essential infrastructure;
- Safer, more secure and healthier living, working and training environments;
- Ensuring the Defence Force is prepared for platform replacements and upgrades for the continued delivery of credible capabilities;
- Estate support to organisation initiatives such as consolidated logistics and learning;
- Camp and base upgrades such as the centralisation of health facilities at Whenuapai and the regeneration of assets at Papakura Camp; and
- A new Youth Development Facility at Whenuapai;

Other improvements will include:

- A new sustainability framework to guide estate development;
- More effective asset stewardship through better asset planning, performance monitoring and delivery; and managing the estate as a capability; and
- Enhanced organisational capability and capacity including better quality information and asset management capabilities.

In addition to these initiatives, work continues to relocate and fit-out new headquarters for the New Zealand Defence Force within the Wellington CBD.

The Defence Estate is a large and unique strategic asset and critical enabler for military output delivery. It provides the land, buildings, infrastructure and facilities needed to generate and maintain the military skills and capabilities required by the Government

Our Information, Knowledge, Communications and Technology Systems

The Defence Force has acknowledged capability gaps across its information and technology landscape. To address this, the Defence Force has developed separate Information Communications and Technology and Information Strategies to drive an uplift across its Communications and Information Systems:

- **The Information Communications and Technology Strategy** – shifts the Information Communications and Technology landscape to focus on information to support the war-fighter, together with the databases, applications and management capabilities to meet the needs of the Defence Force.
- **The Information Strategy** – is focussed on ensuring the Defence Force treats its information as a strategic asset and has the capability to realise the value it holds across all Defence Force lines of operation.

Both strategies are focused on ensuring information and technology goals are aligned to Defence Force outcomes.

In 2016, the Knowledge and Information Management Directorate was established to lift our ability to leverage information as a strategic asset. Through the realisation of the Defence Force Information Strategy

2016 as part of Strategy25 and delivery of activities on the Information Foundation Roadmap, the Defence Force is positioned as an organisation able to extract full value from its information to improve its operational effectiveness.

The Information Strategy drives benefits for the Defence Force across three concepts:

Defence Force Analytics System – ask and answer the questions we have and understand the impact of the decisions we make.

At its core this system allows the Defence Force to define the questions it needs answers to and then answer those questions; to understand the impacts those decisions will have, make trade-offs and redirect resources across the organisation. This means the Defence Force will ultimately be able to make better informed decisions for today and for the future of the organisation.

This capability will be built in stages by selecting strategic priorities and identifying the elements required to answer the key questions each priority presents. As more priorities are added and the data system grows, the overall capacity of the system will increase. This means the Information Strategy delivers tangible benefit to the Defence Force by answering a larger number of

individual priority questions, and move into answering more complex cross-organisational questions.

Defence Force Digital Workplace – increased efficiency across the Defence Force driven by all members working digitally with solutions centred on the information needs of their roles.

To gain the efficiencies of an increasingly digital future, the Defence Force needs a workplace that puts each Defence Force member at the centre of their information and productivity needs. This unified experience will be delivered by a technology toolbox that understands each individual's role and provides them the information they need to carry out the task at hand.

This capability build is already underway via projects such as the Defence Document Management System and proposed consolidated intranet initiative. As with the Analytics System, business cases will be presented for each step in building this overall capability, while also ensuring the solutions give the Defence Force better access to the content/information we currently find difficult to use.

Defence Force Information Capability Operating Model – the ability, understanding and framework to act on our information.

The refreshed Defence Force Information Strategy 2016 articulates a vision for information within the **Defence Force – The Right Information in the Right Place at the Right Time**, and five objectives that focus the vision towards improving the Defence Force's information capability:

- Improve the effectiveness of operations
- Build a trusted foundation for decision making
- Enable the Defence Force to work effectively together
- Improve efficiency and effectiveness across the Defence Force
- Support knowledge retention



Organisational Change

Since 2010, the Defence Force has improved its organisational efficiency and effectiveness, in particular by overhauling its governance and accountability mechanisms. It is also developing its relationships with partners across the public and private sector. At the same time, the Ministry of Defence is transforming itself into a stronger partner for the Defence Force.

To enable it to continue making the best use of existing resources, the Defence Force will continue to implement a range of initiatives. These include:

- the evolution of Defence Force logistics, including the piloting of an equipment pooling and management model enabling the Defence Force to realise the financial benefits associated with a consolidated equipment inventory;
- modernising and where appropriate replacing ageing parts of the Defence Estate and improving its management; and
- the outsourcing and use of commercial 'off the shelf' products and services where appropriate, particularly with respect to communications and information systems.

The Defence Force also operates a continuous improvement initiative – the Defence Excellence programme – that will support management of investments and achievement of outcomes. Within this, Defence selected 'Lean Six Sigma' as the preferred tool set for driving continuous improvement. The programme is comparatively advanced, conducting in-house Lean Six Sigma continuous improvement leadership, introductory, intermediate and advanced courses since 2012.



Challenges to New Zealand's security interests cut across agency boundaries.

The Government expects the Defence Force to work closely with other agencies, and in particular the Ministry of Defence, to contribute to policies related to New Zealand's national security and to the prioritisation and management of its defence relationships.

The Defence Force must also coordinate its outputs, regular activities and proposed investments with other agencies to ensure they can be clearly linked to Government policy and national security priorities.

Under the Defence Capability Change Action Programme, the Defence Force and Ministry of Defence are also undertaking a joint programme of work to improve the delivery of planned investments, and lift the overall performance of the capability management system. A key measure of success in this area will be the Government's degree of confidence in the management of Defence capability, reflected by the Investor Confidence Rating⁸ achieved by Defence.

Over the next four years, this work will focus on the following key areas:

Enhancing the portfolio approach

The ability to forecast the likely cost of capabilities as early as possible is critical to effective planning and to ensure the Government has the information it needs to make effective choices. Defence will therefore:

- undertake further work to ensure it has reliable whole-of-life cost and

schedule information that can be refined over time to enable sound decision-making. This will be supported by improved forecasting and the regular delivery of Long Term Investment Plans that set out Defence investment priorities and how they will occur to support delivery of the Government's policy objectives; and

- review the functions that support Defence portfolio, programme and project work, with the aim of improving the quality of support for project delivery.

Project and programme management continuous improvement

Defence capability projects are large and complex and need to be governed with a high level of skill and an appropriate degree of oversight. Defence will therefore continue to capitalise on the gains already made in this area through continuing to:

- strengthen the management and executive oversight of projects and programmes; and
- improving the monitoring and analysis of project and programme risks and benefits.

⁸ The Investor Confidence Rating (ICR) is a three-yearly assessment of the performance of investment-intensive agencies in managing investments and assets that are critical to the delivery of New Zealand government services. The ICR provides an indication of the level of confidence that investors (such as Cabinet and Ministers) can have in an agency's ability to realise a promised investment result if funding is committed.



Managing Functions And Operations

5

This section explains how the Defence Force intends to manage its functions and operations to meet its strategic intentions.

Defence Force Operating Model

The Defence Force Operating Model provides a functional arrangement that improves accountability and coherency. Capability is managed and integrated to provide joint effects and is enabled by a range of supporting functions. The following six core elements comprise the current Operating Model:

Direct – functions which give strategic direction to the Defence Force such as policy, defence strategy development, strategic direction of military operations and contribution to national security. This element is focused on ensuring we have the functions to develop a strategic future, and manage our strategic relationships nationally and internationally.

Acquire – this element of the model includes the functions that work in partnership with the Ministry of Defence to procure major equipment for the Defence Force. This element is about ensuring we acquire the right military capability and co-ordinate those elements of the Defence Force required to bring the capability into service. This includes any urgent operational requirements which may arise.

Enable – functions which set the corporate framework of policies, rules and standards for Defence and for providing or procuring the delivery of services. This is about the services that indirectly support others to deliver on the organisation's strategic objectives. Examples included shared corporate service, logistics, common or joint military support and finance.

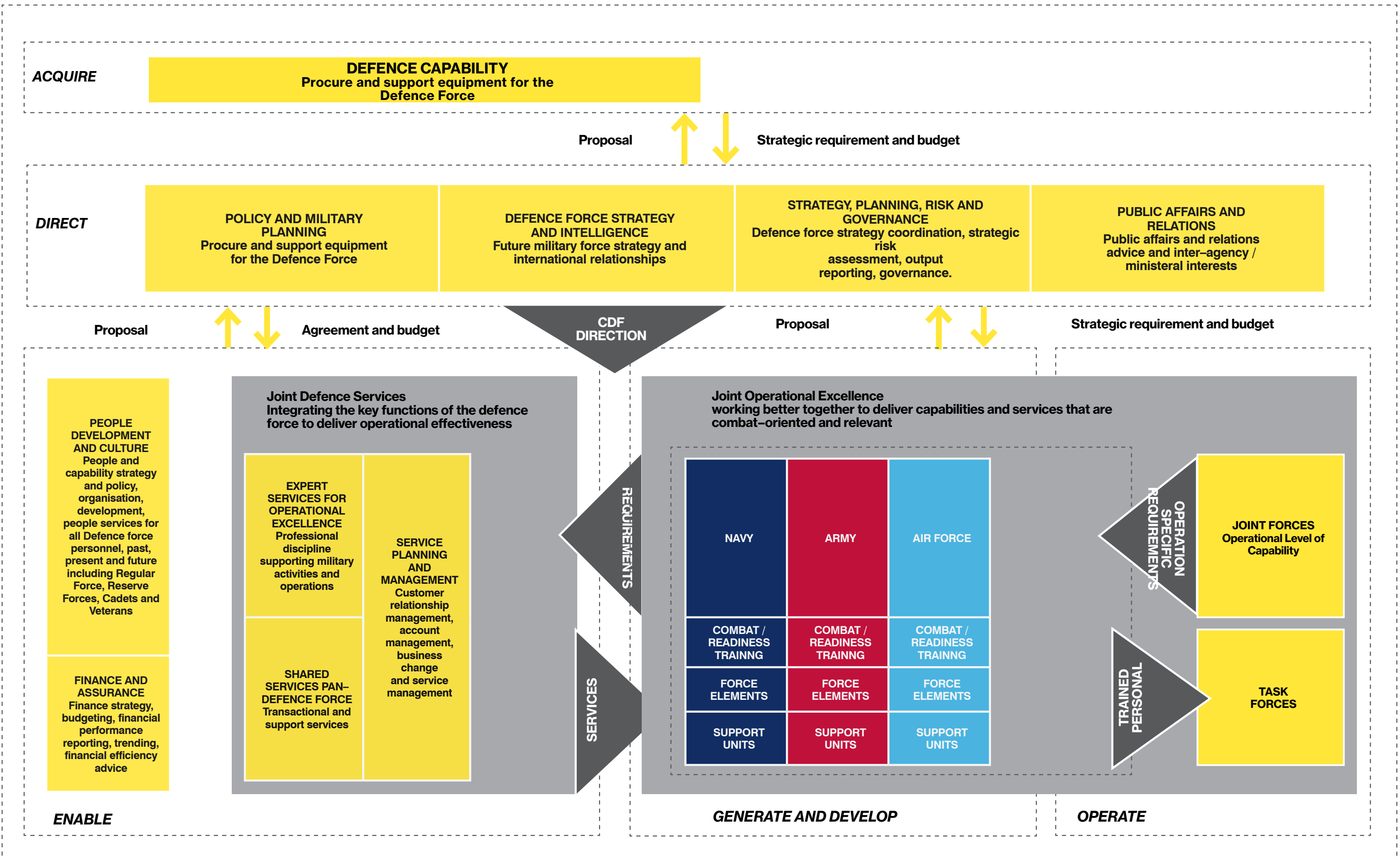
Generate and Develop – functions which build and provide the military capability needed to meet current and future operational demands. This includes building the core military skills, capabilities and elements needed to deliver a domain-specific or joint military effect.

Operate – functions which provide the defence and military capability on operations and other military tasks. This includes the areas responsible for the planning and execution of joint, national or multinational operations.

Account – all of the functions in the Defence Force are accountable to achieve our outputs and deliver on strategy. This function is effected through our Governance Model.

At the time of writing, this operating model is under review.

Defence Force Operating Model





Governance

The Governance Model

The Defence Force Governance Model is designed to deliver a strong performance and accountability culture and bring closer alignment between governance, performance and planning.

This system empowers and drives accountability through the Defence Force to ensure the development, translation and pursuit of our strategy. It enables long-term stewardship and prioritisation of resources to achieve our strategic outcomes.

The governance system is used by the Defence Force to:

- Deliver military capability that meets the government's expectations;
- Create, set and align its vision, strategies and priorities for the long term;
- Ensure accountabilities, authorities, responsibilities and performance expectations are met;
- Monitor and evaluate organisational Performance;
- Oversee, control and mitigate risks; and
- Ensure compliance with legal and constitutional requirements.

Managing Performance within the Governance Model

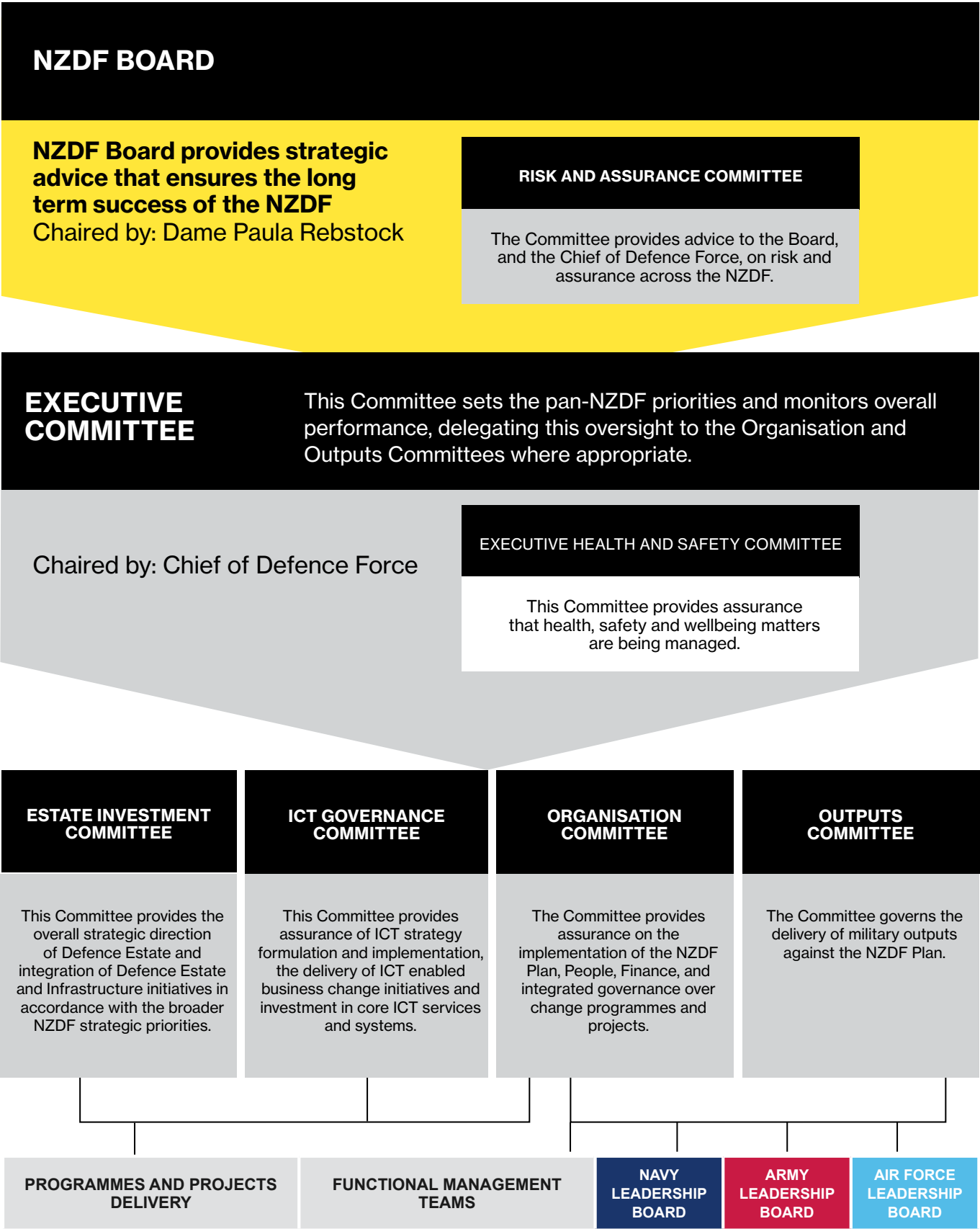
Performance reporting and management is central to the effective management of the Governance Model and is driven from the Defence Force Four-Year Plan. Starting at the bottom of the model, each of the sub-committees of the Executive receives a performance monitoring report relevant to their terms of reference. These are aggregated into a management report for the Executive that brings together information from the subcommittees and an overview of the capability portfolio.

A longer term governance report is then developed for the NZDF Board, which places a greater emphasis on the delivery of strategic objectives and the monitoring of long term financial and people trends.

The Minister of Defence is provided a performance report on a quarterly basis that focuses on operational delivery, financial management and the delivery of key capital projects.

The delivery of major capability is governed in partnership with the Ministry of Defence.

Defence Force Governance Model





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