HON Judith Collins KC, MINISTER OF DEFENCE DEFENCE FORCE: BUSHMASTER COMMUNICATIONS PROJECT – APPROVAL TO DELIVER

December 2025

This publication provides the Cabinet Minute of Decision and submission *Defence Force:* Bushmaster Communications Project – Approval to Deliver, which approves an updated preferred option to deliver the Bushmaster Communications Project, and approves delivery of the project.

The pack comprises the following documents:

 the Cabinet paper and associated Minute of Decision Defence Force: Bushmaster Communications Project – Approval to Deliver [EXP-25-MIN-0110 and EXP-25-SUB-0110],

This pack has been released on the Ministry of Defence website, available at: www.defence.govt.nz/publications.

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• the security or defence of New Zealand or the international relations of the Government of New Zealand [section 6(a)]

Further information is withheld to:

- enable a Minister of the Crown or any department of organisation holding the information to carry on, without prejudice or disadvantage, negotiations. [section 9(2)(j)]
- maintain for the time being the constitutional conventions that protect the confidentiality of advice tendered by Ministers of the Crown and officials [section 9(2)(f)(iv)]

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Cabinet Expenditure and Regulatory Review Committee

Minute of Decision

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New Zealand Defence Force: Bushmaster Communications Project - Approval to Deliver

Portfolio Defence

On 18 November 2025, the Cabinet Expenditure and Regulatory Review Committee:

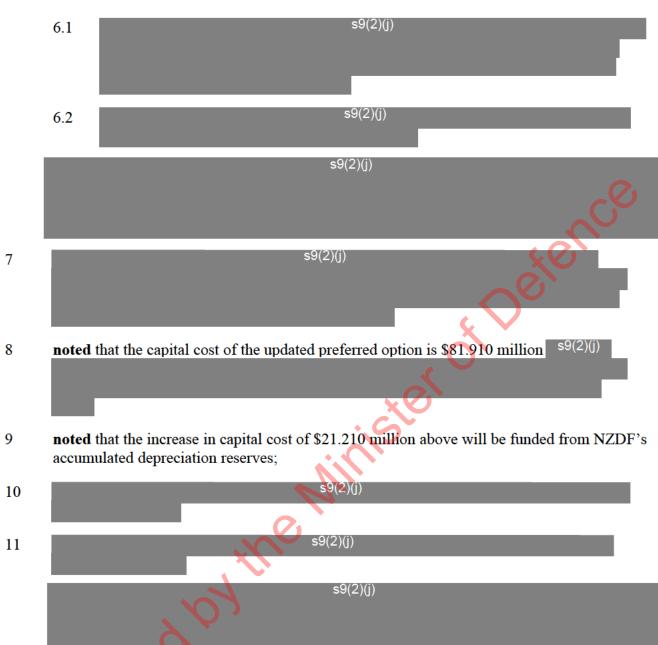
- approved the Approval to Deliver (ATD), attached under EXP-25-SUB-0110, including the updated preferred option for the Bushmaster Communications Project (the project);
- 2 **noted** that while ATD sign-off was delegated to Joint Ministers (as noted in paragraph 5.2 below), it is being presented to Cabinet to approve the updated preferred option and the additional funding for the project;
- noted that as the updated preferred option falls within the intent of the previous business cases, Defence has assessed that a new Detailed Business Case is not required;
- 4 **noted** that in June 2020, the previous government approved \$101.3 million for the procurement of 43 Bushmaster Vehicles from Thales Australia [GOV-20-MIN-0020];
- 5 **noted** that in Budget 2023, the previous government:
 - 5.1 agreed to establish tagged operating and capital contingencies for Bushmaster Communication Network Enabled Army Tranche 3 of up to the following amounts:

Initiative No: 15254 \$m - increase/(decrease)	2023/24	2024/25	2025/26	2026/27 & outyears
Tagged Operating Contingency	-	6.040	s9((2)(j)
Tagged Capital Contingency	38.000	20.000		

- authorised the Minister of Defence and the Minister of Finance to jointly draw down the tagged operating and capital contingency funding (establishing any new appropriations as necessary), subject to Cabinet approval of a Detailed Business Case and joint approval of a programme implementation business case by the Minister of Defence and the Minister of Finance; and
- agreed that the expiry date for the above tagged operating and capital contingencies be 31 December 2025;

[CAB-23-MIN-0139, Initiative 15254]

6 **noted** that:



noted that the increased operating cost noted in paragraph 12 above will be funded from NZDF's existing operating baseline;

s9(2)(j)

12

s9(2)(j)

s9(2)(j)

agreed to re-phase the balance of the tagged operating contingency for the project as follows:

s9(2)(j)

- authorised the Secretary of Defence to commit and approve expenditure of public money of up to \$81.910 million for Bushmaster Communications;
- approved the following changes to appropriations, selection for the Secretary of Defence to commit to the acquisition process for Bushmaster Communications, noting that it is on top of selection already appropriated in 2023, as noted in paragraphs 6 and 7 above:

	NZ \$M – increase/(decrease)						
Vote Defence Minister of Defence	2025/26	2026/27	2027/28	2028/29	2029/30		
Multi-Category Appropriation	0		s9(2)(j)				
Defence Capabilities MCA Non-Departmental Capital Expenditure:							
Defence Capability Delivery							

noted that the changes to appropriations above have no impact on the operating balance or net core Crown debt as they are fully offset by a capital receipt from NZDF;

approved the following changes to appropriations to implement the decision in paragraph 1 above, with a corresponding impact on the operating balance and net core Crown debt:

			NZ \$M -	increase/(d	decrease)		
Vote Defence Force Minister of Defence	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 & out years
Multi-Category Expenses and Capital Expenditure:				s9(2)(j)			
Defence Force Capabilities Prepared for Joint Operations and Other Tasks Multi- Category Appropriation (MCA)							.©
Departmental Output Expenses:							
Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)							
Capital Injection:							
New Zealand Defence Force - Capital Injection							
Total Operating							
Total Capital		0					

noted that the following changes to appropriations, solutions, would be required in accordance with the NZDF – Capital Expenditure PLA authorised by section 24(1) of the Public Finance Act 1989, with a corresponding impact on the net core Crown debt, noting that this is on top of solutions already appropriated in 2023, as noted in paragraph 17 above:

NZ \$M – increase/(decrease)							
2025/26	2026/27	2027/28	2028/29	2029/30			
		s9(2)(j)					
	2025/26		2025/26 2026/27 2027/28	2025/26 2026/27 2027/28 2028/29			

- agreed that the changes to appropriations for 2025/26 in paragraphs 17 and 19 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- agreed that the expenses incurred under paragraph 19 above be charged against the Bushmaster Communications—tagged operating contingency described in paragraph 15 above;

- agreed that the capital injection incurred under paragraph 19 above be charged against Bushmaster Communications—tagged capital contingency referred to in paragraph 11 above;
- 24 **noted** that, following the changes detailed in paragraph 19 above, the tagged capital contingency is now exhausted and, therefore, closed;
- noted that, following the adjustment in paragraph 19 above, the remaining balance of the tagged operating contingency, as outlined below, totalling \$47.075 million, is no longer required for this project:

\$m - increase/(decrease)	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 & outyears
Remaining Balance of Operating Contingency				s9(2)(j)	(40)	•

- agreed that the tagged operating contingency be closed and the remaining funding be returned to the centre;
- 27 authorised the Minister of Finance and Minister of Defence to jointly approve transfers of funding between the separately-approved budgets of Bushmaster Communications, Protected Mobility Capability Project HM Light and Risk Reduction, and the Protected Mobility Capability Project PV-Medium projects due to their close linkages, subject to the total expenditure remaining within the combined approved budgets (and therefore no new funding being required) and the scope being consistent with the individual projects' separate approvals;
- agreed to re-baseline the operational release date for the Protected Mobility Protected Vehicles Medium project, responsible for the purchase of the 43 Bushmaster vehicles, to s6(a) to align with the installation of the communications equipment;
- 29 **noted** that future investments will need to clearly justify the need for investment, articulate capital and operating costs of project phases where relevant, and demonstrate support of Defence Capability Plan delivery.

Sam Moffett
Committee Secretary

Present:

Hon David Seymour (Chair)

Hon Nicola Willis

Hon Chris Bishop

Hon Simeon Brown

Hon Louise Upston

Hon Judith Collins KC

Hon Mark Mitchell

Hon Brooke van Velden

Hon Shane Jones

Hon Casey Costello

Hon Chris Penk

Hon Andrew Hoggard

Hon Mark Patterson

Officials present from:

Prime Minister's Office Office of the Minister of Defence Ministry of Defence New Zealand Defence Force Officials Committee for EXP Office of the Minister of Defence

Cabinet Expenditure and Regulatory Review Committee

DEFENCE FORCE: BUSHMASTER COMMUNICATIONS PROJECT - APPROVAL TO DELIVER

Proposal

- 1. This paper seeks Cabinet approval of:
 - 1.1.An updated preferred option to deliver the Bushmaster Communications Project;
 - The Approval to Deliver for the Bushmaster Communications Project;
 - 1.3. Increased project costs being met from Defence baselines; and
 - 1.4. The s9(2)(j) tagged capital contingency and operating contingency at Budget 2023 [CAB-23-MIN-0388 refers].

Relation to Government Priorities

- 2. This investment is aligned with the 2025 Defence Capability Plan (DCP). The four key DCP considerations for this project are outlined in Appendix One.
- 3. The ability of armoured vehicles to communicate between other vehicles, within an area of operation, and back to New Zealand is critical for the Army to operate safely and effectively in a wide range of environments.

Executive Summary

- 4. The Bushmaster Communications Project seeks to install communications equipment on Army's 43 armoured Bushmaster vehicles to enable them to securely communicate with the wider Army, Air Force, Navy and partners, both overseas and in New Zealand.
- 5. NZDF's Bushmasters, purchased in 2020, provide protection for troops inside the vehicle, especially from Improvised Explosive Devices (IEDs), and are able to move troops quickly over different terrains. They were acquired without communications equipment to ensure compatibility with other Army equipment being purchased through the Network Enabled Army (NEA) Programme.
- In Budget 2023, tagged contingencies were established to fit the Bushmasters with communications equipment. In August 2023, Cabinet approved the Bushmaster Communications Project Implementation Business Case (PIBC) [CAB-23-MIN-0388],

s6(a)

- 7. This option reflected New Zealand solutions of the PIBC, the war in Ukraine has shown that this approach makes vehicles vulnerable to detection and indirect fire, putting personnel at risk.
- 8. Updated s6(a) New Zealand requirements now state that communication headquarters should be 'fully mobile', requiring no setup or disassembly s6(a) The options have therefore been reassessed, with the updated preferred option meeting these requirements.
- 9. This updated preferred option will cost an additional \$21.210 million above the funding set aside in Budget 2023,

 These increases will be funded from NZDF's depreciation reserves and existing operating baseline, respectively. Offsetting these increases is a return of \$47.075 million from the tagged operating contingency.

 \$9(2)(i)
- 10. This paper seeks Cabinet approval of an updated preferred option for the Bushmaster Communications Project. While no additional capital injections or operating uplift are required to cover the increased costs, this paper also seeks Cabinet approval of the additional funding to be applied to the project.
- 11. This option falls within the intent of the previous business case and the additional cost can be met from within Defence's overall appropriation. However, for transparency of the change to cost and scope, the Approval to Deliver (ATD) is being presented to Cabinet for approval (as at Appendix Two).

Background

- 12. The Bushmaster Communications Project will install C4 (command, control, communications, computing) systems on the 43 armoured Bushmaster vehicles, supporting deployments to a range of operations in different threat environments.
- 13. Cabinet approved the Protected Vehicle–Medium Project Implementation Business Case in June 2020 [CAB-20-MIN-0296 refers]. This allowed Defence to purchase 43 Bushmasters from Thales Australia, for \$101.300 million in capital expenditure. The vehicles were purchased without communications systems to ensure that they would be fitted with communications equipment that was compatible with other Army equipment being purchased through the Network Enabled Army Programme. The Bushmasters were delivered in 2023.
- 14. In Budget 2023, Cabinet approved tagged operating and capital contingency for Bushmaster Communication – Network Enabled Army Tranche 3 [CAB-23-MIN-0139 refers]. This included \$58.000 million capital and \$32.060 million operating (4-year total uplift).
- 15. The Bushmaster Communications Project Implementation Business Case (PIBC) was approved by Cabinet in August 2023, with *Option 3: Network Enabled Communications* as the preferred option [CAB-23-MIN-0388 refers].

s9(2)(f)(iv), s9(2)(j) s6(a) 16. Under this preferred option, The variants are listed below. Table 1: Bushmaster variants **Bushmaster Variants** 2 Maintenance 2 Logistics Ambulance 4 25 Troop Carrier Command and Control (C2) 10 43 Total s6(a) 17. Changes since PIBC approval 18. Updated Army requirements and increased project costs have resulted in a need to update the communications option for These changes are discussed below. Updated Army requirements 19. Since the PIBC was approved, doctrine has been updated to require to be 'fully mobile', requiring no setup or disassembly , reflecting key lessons from the war in This requires so(a) Bushmaster s6(a) to have fully mobile communications systems to support operations in higher threat environments. s6(a) 20. s6(a) 22. There have been no changes to the system requirements for



Increased project costs

24. The costs in the original PIBC were based on industry responses to a Request for Information (RFI), which was released with high-level system requirements appropriate for an initial approach to market. The subsequent RFP process found that installing communications on the Bushmasters would cost more than expected due to a better understanding of system requirements, increased integration and project management costs, and inflation.



Approximately 75% of the increased cost is driven by the change in requirements, but also includes increases in contractor, sub-contractor, and personnel costs and higher than anticipated general and military inflation.

Updated preferred option

Full scope within project

26.As a result of these changes, Defence has refreshed the options assessment. Five options (including options closer in cost to the original tagged contingency) were assessed and are summarised in Table 2 below.

Options

Status quo

Reduced \$6(a)

Reduced \$56(a)

Tranched full scope

Table 2: Updated shortlisted options

27. The updated options assessment selected full scope within project,

his option is closest to the option originally approved by

s6(a)

Cabinet in 2023	s6(a)	

28. This was assessed as the preferred updated option as it met all investment objectives and critical success factors (excluding affordability, noting that increased cost is being funded through NZDF's accumulated depreciation reserves) and had a large positive impact on each non-monetary benefit. The tranched full scope option had a similar outcome, but would incur significant delays and so is not preferred.

29. The other options in the updated shortlist did not meet investment objectives or critical success factors. No new funding is sought for the increased cost of the updated preferred option, as detailed in the financial implications section.

Implementation

- 30. The integration of C4 capabilities will be managed by a dedicated project team within the Network Enabled Army (NEA) Programme to ensure alignment with other C4 capabilities being delivered by the NEA Programme.
- 31. After the C4 capabilities have been tested in service and operationally released, the Protected Mobility Capability Project (PMCP) will assume the responsibility to complete operational delivery of the Bushmaster capability. I recommend Cabinet approve a change to the delivery milestone for that project as below.

Milestone

Gain approval to commit

Verify the deliverables and accept

Interim Operational Release

Operational Release – Communications Install (Bushmaster Communications Project)

Operational Release (Protected Mobility - Protected Vehicles Medium project)

Operational Release (Protected Mobility - Protected Vehicles Medium project)

Table 3: Key governance milestones

- 32. Mitigation plans are in place for key project risks, including: equipment becoming obsolete due to a step change in technology, delays in the arrival of equipment, resource constraints within Defence, and the systems not working as intended. The overall project risk is Medium and Gateway reviews are not required.
- 33. Defence will contract with Luminact Pty Ltd as the Prime Systems Integrator. Luminact will design and install the communications systems, with delivery expected to commence solutions are detailed below.

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¹ Re-baselined date for the operational release of the Protected Mobility - Protected Vehicles Medium project, responsible for the purchase of the 43 Bushmaster vehicles, to align with the installation of the communications equipment.

Table 4: Implementation Timeline

Key activities/milestones	Timeframe / Estimated date
Critical Design Review Completed	s9(2)(j)
Prototype and Test Phase Completed	
Production Commences	
Vehicle Deliveries Commence	
Commissioning and MoD Acceptance	

- 34. This timeline has been developed in consultation with the vendor.
- 35. Vehicles will be incrementally introduced into service as each batch is delivered so that they are available for operational use as early as possible.

Financial Implications

- 36.At Budget 2023, Cabinet established tagged operating contingency of \$32.060 million (4-year total uplift) and capital contingency of \$58.000 million for this initiative [CAB-23-MIN-0139 refers],
- 37. s9(2)(j)

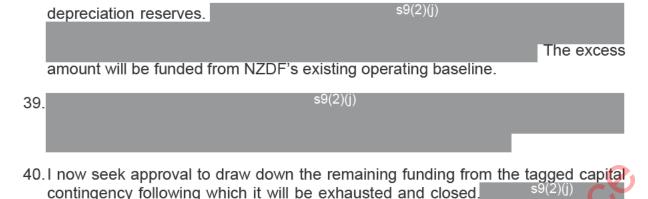
Table 5: Tagged contingencies current balance

A	0000104	0004/05	0005/00	0000/07	0007/00
\$m - increase/(decrease) in	2023/24	2024/25	2025/26	2026/27	2027/28
tagged capital contingency	X				and out
					years
Budget 2023 establishment					
Tagged Operating		6.040		s9(2)(j)	
Contingency					
Tagged Capital Contingency	38.000	20.000			
s9(2)(j)					
Tagged Operating	-	6.040		s9(2)(j)	
Contingency					
Tagged Capital Contingency	(25.000)	-			
Budget 2025 re-phasing					
Tagged Operating	-	-		s9(2)(j)	
Contingency					
Tagged Capital Contingency	-	-			

38. s9(2)(j)

The total capital cost of the updated preferred option is \$81.910 million

The increase of \$21.210 million for this option will be funded from NZDF's accumulated



which will leave a balance of \$47.075 million that is no longer required and will be returned to the centre.

Transfers between Bushmaster projects

- 41. The Bushmaster Communications Project is one of three stand-alone projects, which will together deliver combat-ready Bushmasters to the NZDF.
- 42. While each project has a defined scope and budget, they are being delivered under the same governance structure and are closely linked. Due to this linkage, some costs are shared between phases, and currently the projects must return to Cabinet to transfer funds between projects.
- 43. Returning to Cabinet to transfer funds between related projects would be an inefficient use of Cabinet time. I am therefore seeking a delegation to Joint Ministers to approve the transfer of funding between these three existing projects, as long as there is no overall increase in the total funding allocated to these projects and each project's scope remains as approved.

Infrastructure

44. Funding for infrastructure for the Bushmaster vehicles is not included as part of this investment; however, it is indicated in the 2025 Defence Capability Plan. Investment options for Bushmaster infrastructure will be detailed in a future business case for Cabinet consideration.

Other Implications

45. There are no cost of living, climate, legislative, population, or human rights implications from this paper.

Use of External Resources

46. No external resources were engaged in the development of this proposal.

Consultation

47. The paper has been consulted with the Department of Internal Affairs, Department of the Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade,

Public Service Commission, and the Treasury and where provided their comments are reflected in the paper presented.

Communications

48. No public communications are planned as a result of the decisions in this paper.

Proactive Release

49. Defence intends to proactively release this paper, with appropriate redactions in line with the Official Information Act 1982.

Next Steps

50. If Cabinet agrees, Defence will sign a contract with Luminact to design and install the communications systems, with delivery expected to commence solutions sign and install the communications systems, with delivery expected to commence solutions.

Recommendations

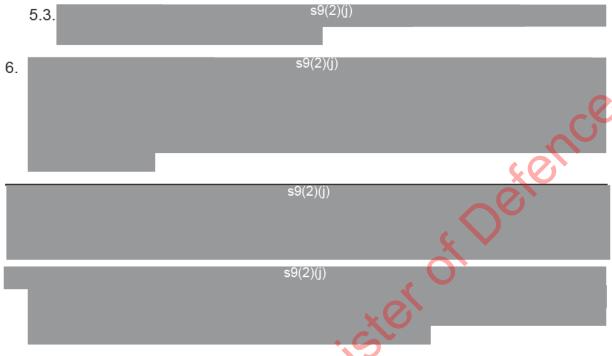
The Minister of Defence recommends that the Committee:

- approve the attached Approval To Deliver (ATD), including the updated preferred option;
- note that while ATD sign-off was delegated to Joint Ministers, it is being presented to Cabinet to approve the updated preferred option and the additional funding for the project;
- note that as the updated preferred option falls within the intent of the previous business cases, Defence has assessed that a new Detailed Business Case is not required;
- 4. **note** that in June 2020, Cabinet approved \$101.3 million for the procurement of 43 Bushmaster Vehicles from Thales Australia [CAB-20-MIN-0296 refers];
- 5. **note** that as part of Budget 2023, Cabinet [Initiative No: 15254 of CAB-23-MIN-0139 refers]:
 - 5.1. agreed to establish tagged operating and capital contingencies for Bushmaster Communication Network Enabled Army Tranche 3 of up to the following amounts:

Initiative No: 15254 \$m - increase/(decrease)	2023/24	2024/25	2025/26	2026/27 & outyears
Tagged Operating Contingency	-		s9(2)(j)	
Tagged Capital Contingency	38.000			

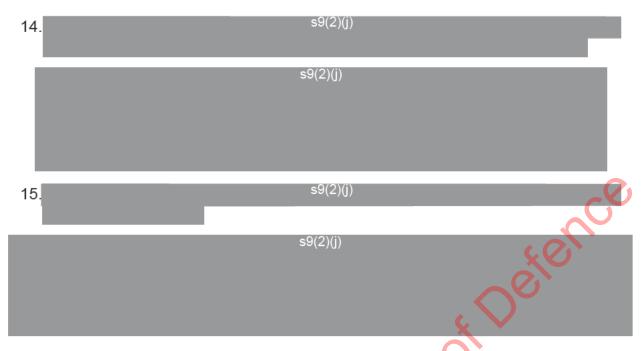
5.2. **authorised** the Minister of Defence and the Minister of Finance to jointly draw down the tagged operating and capital contingency funding in recommendation

5.1 above (establishing any new appropriations as necessary), subject to Cabinet approval of a Detailed Business Case and joint approval of a PIBC by the Minister of Defence and the Minister of Finance; and



- 8. **note** that the capital cost of the updated preferred option is \$81.910 million
- note that the increase in capital cost of \$21.210 million referred to in recommendation 8 above will be funded from NZDF's accumulated depreciation reserves;





- 16. **authorise** the Secretary of Defence to commit and approve expenditure of public money of up to \$81.910 million for Bushmaster Communications;
- 17. **approve** the following changes to appropriations, solutions, solutions for the Secretary of Defence to commit to the acquisition process for Bushmaster Communications, noting that it is on top of solutions already appropriated in 2023, as mentioned in recommendations 6 and 7, above:

	NZ \$M – increase/(decrease)						
Vote Defence Minister of Defence	2025/26	2026/27	2027/28	2028/29	2029/30		
Multi-Category Appropriation Defence Capabilities MCA Non-Departmental Capital Expenditure: Defence Capability Delivery	1,11		s9(2)(j)				

- 18. **note** that the changes to appropriations in recommendation 17 above have no impact on the operating balance or net core Crown debt as they are fully offset by a capital receipt from the New Zealand Defence Force;
- 19. approve the following changes to appropriations to implement the decision in recommendation 1 above, with a corresponding impact on the operating balance and net core Crown debt:

		NZ	3 \$M – increa	se/(decreas	e)		
Vote Defence Force Minister of Defence	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32 and out years
Multi-Category Expenses and Capital Expenditure: Defence Force Capabilities Prepared for Joint Operations and Other Tasks Multi-Category Appropriation (MCA)				s9(2)(j)			
Departmental Output Expenses: Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)							
Capital Injection: New Zealand Defence Force - Capital Injection							
Total Operating							
Total Capital				.0			

20. **note** that the following changes to appropriations s9(2)(j) would be required in accordance with the Zealand Defence Force – Capital Expenditure PLA authorised by section 24(1) of the Public Finance Act 1989, with a corresponding impact on the net core Crown debt, noting that this is on top of already appropriated in 2023, as mentioned in recommendation 17 above;

	NZ \$M - increase/(decrease)						
Vote Defence Force	2025/26	2026/27	2027/28	2028/29	2029/30		
Minister of Defence							
Departmental Capital Expenditure:			s9(2)(j)				
New Zealand Defence Force Capital PLA							
		s9/2\/i\					

21. \$9(2)(j)

22. \$9(2)(j)

23. \$9(2)(j)

24. \$9(2)(j)

25. s9(2)(j)

\$m - increase/(decrease)	2025/26	2026/27	2027/28		2029/30	2030/31	2031/32 and out years
Remaining Balance of Operating Contingency				s9(2)(j)			-0

26. s9(2)(j)

27. s9(2)(j)

28. s9(2)(j)

Authorised for lodgement

Hon Judith Collins KC
MINISTER OF DEFENCE

List of Appendices:

- 1. Defence Capability Plan Considerations
- 2. Bushmaster Communications Project Approval to Deliver

Appendix One – Defence Capability Plan Considerations

What is the Australian approach and is there any reason for New Zealand to take a different approach?
1. s6(a), s9(2)(j)
Can we partner with industry to deliver the capability differently?
3. Most of the design and installation will be provided by a prime system integrator (PSI) under a standard Ministry of Defence contract. This approach allows risk to be allocated to the PSI for integration. S6(a), s9(2)(j)
What is the minimum viable capability needed (including to limit bespoke requirements)?
4. s6(a), s9(2)(j)
What is the most cost effective and durable option?
5. Based on the options analysis, the preferred option is the most cost effective and durable option.