

## HON Chris Penk, MINISTER OF DEFENCE

### Network Enabled Army Detailed Business Case and Approval to Deliver

May 2026

This publication provides the Cabinet Minute of Decision and submission *Network Enabled Army: Programme Business Case and Detailed Business Case*, and the Ministerial Approval to Deliver *Briefing: Network Enabled Army – Investment One Implementation Business Case and Joint Ministerial Paper*. These documents agree the preferred delivery option for the remainder of the Network Enabled Army programme, and approve the delivery of first investment.

The pack comprises the following documents:

- the Cabinet paper and associated Minute of Decision *Network Enabled Army: Programme Business Case and Detailed Business Case [EXP-25-MIN-0028 and EXP-25-SUB-0028]*; and
- the Ministerial Approval to Deliver *Briefing: Network Enabled Army – Investment One Implementation Business Case and Joint Ministerial Paper [NZDF 2025-228 and MOD 119-2025]*

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

It has been necessary to withhold certain information in accordance with the following provisions of the Official Information Act 1982. Where information is withheld, the relevant sections of the Act are indicated in the body of the document

Information is withheld where making it available would be likely to prejudice:

- the security or defence of New Zealand or the international relations of the Government of New Zealand [section 6(a)].
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- protect the privacy of natural persons [section 9(2)(a)];
- maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty [section 9(2)(g)(i)];
- enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); and
- prevent the disclosure or use of official information for improper gain or improper advantage [section 9(2)(k)].



NZDF ref: 2025 - 228

MoD ref: 119-2025

Minister of Defence

For approval by

2 September 2025

## BRIEFING: NETWORK ENABLED ARMY – INVESTMENT ONE IMPLEMENTATION BUSINESS CASE AND JOINT MINISTERIAL PAPER

**PURPOSE** Approval of the Network Enabled Army (NEA) Investment One Implementation Business Case, and approval to draw down s9(2)(j) of capital injection and s9(2)(j) of steady-state operating uplift from the tagged continued as part of Budget 25 [CAB-25-MIN-0126.19, Initiative No: 16217 refers].

### Recommended referrals

Minister of Finance

For concurrence by

19 September 2025

### Agency contact

NAME	POSITION, ORGANISATION	PHONE
COL William Keelan	NZDF – Land Domain Director	s9(2)(a)
Nick Gillard	MoD – Land Domain Director	

### Agency consultation

The following agencies were consulted on the Implementation Business Case: The Treasury, the Department of Internal Affairs (Government Chief Digital Officer), Te Kawa Mataaho/Public Services Commission, Department of the Prime Minister and Cabinet, National Emergency Management Agency, Ministry of Foreign Affairs and Trade, Te Waihanga/Infrastructure Commission, and Government Communications Security Bureau.

The Treasury was also consulted on this briefing.

# NETWORK ENABLED ARMY – INVESTMENT ONE

## Key points

- This briefing seeks approval of the refreshed Network Enabled Army (NEA) Programme Investment One Implementation Business Case and approval to draw down s9(2)(j) of capital injection and s9(2)(j) of steady-state operating uplift from the tagged contingencies established as part of Budget 25 [CAB-25-MIN-0126.19, Initiative No: 16217 refers].
- This investment supports the delivery of the 2025 Defence Capability Plan (DCP). Alignment with the four key DCP considerations<sup>1</sup> is outlined in Annex A.
- Cabinet authorised, through CAB-25-MIN-0126.19, the Minister of Defence and the Minister of Finance to jointly drawdown the tagged operating and capital contingencies, subject to their satisfaction with the Implementation Business Case for Investment One (attached at Annex B).
- The capabilities delivered by the NEA Programme will ensure that soldiers and commanders have immediate access to real-time reliable data, and orders and messages are transmitted instantaneously.
- s6(a)
- To ensure Army has the secure communication tools it needs, the quantity mix of capability being purchased has been amended s6(a), s9(2)(j). This has no impact on the delivery of the preferred option or on costs. The overall capability being delivered by the NEA Programme remains the same s6(a), s9(2)(j).

**T DAVIES**  
Air Marshal  
Chief of Defence Force

**SARAH MINSON**  
Deputy Secretary Capability Delivery

Date:

Date:

## Recommendations

It is recommended that you:

1. **note** that in March 2025, Cabinet approved the refreshed Network Enabled Army (NEA) Programme Business Case and Tranche 3, Investment One Detailed Business Case [EXP-25-MIN-0028]; **Noted**

<sup>1</sup> What is the most cost effective and durable option?  
What is the Australian approach, and is there any reason for New Zealand to take a different approach?  
Can we partner with industry to deliver the capability differently?  
What is the minimum viable capability needed?

## NETWORK ENABLED ARMY – INVESTMENT ONE

2. **note** Investment One of the refreshed NEA Programme will deliver;

Noted

2.1. Radios [redacted] s6(a)

2.2. Additional Communication Access Nodes (akin to a deployable server), computers, and deployable satellite dishes for the deployable headquarters – needed to connect to all the networked personnel;

2.3. Organisational change for Army, and implementation; and

2.4. Training for Army personnel on radios and operation of Communication Access Nodes, including Standard Operating Procedures and Sitaware Battle Management System.

3. **note** that since approval of the Detailed Business Case, the quantity mix of capability being purchased has been amended [redacted] s6(a), s9(2)(j)

Noted

[redacted] on costs;

4. **note** that on 14 April 2025, Cabinet [CAB-25-MIN-0126.19, Initiative No: 16217 refers]:

Noted

4.1. **agreed** to establish tagged operating and capital contingencies for Upgrade Army Communications Tranche 3 Phase 1 as part of the Vote Defence Force Budget 25 package of up to the following amounts:

NZ\$ million – increase/(decrease)				
2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
[redacted] s9(2)(j)				

4.2. **authorised** the Minister of Defence and the Minister of Finance to jointly draw down the tagged operating contingency and capital contingency, subject to the approval of an Implementation Business Case by Joint Ministers; and

4.3. **agreed** that the expiry date for the above tagged operating and capital contingencies [redacted] s6(a)

5. **approve** the Implementation Business Case for the refreshed Network Enabled Army Programme, Tranche 3, Investment One;

Yes/No

6. [redacted] s9(2)(j)

Noted

## NETWORK ENABLED ARMY – INVESTMENT ONE

7. **note** that the forecast capital expenditure remains the same at s9(2)(j) in total; **Noted**

8. s9(2)(j) **Noted**

9. **agree** s9(2)(j) the established tagged operating and capital contin Tranche 3, Investment One, as in table below: **Yes / No**

	NZ\$ M – Increase / (Decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Upgrade Army Communications Tranche 3 Phase 1—Tagged Operating Contingency	s9(2)(j)				
Upgrade Army Communications Tranche 3 Phase 1—Tagged Capital Contingency	s9(2)(j)				

10. **authorise** the Secretary of Defence to spend public money up to the amount of s9(2)(j) for NEA Investment One, which includes a contingency of s9(2)(j) **Yes / No**

11. **approve** the following changes to appropriations for the Secretary of Defence to provide for the decisions in recommendation 5 and 10 above; **Yes / No**

Vote Defence Minister of Defence	NZ\$ M – Increase / (Decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
<b>Multi-Category Appropriation:</b>	s9(2)(j)				
Defence Capabilities MCA	s9(2)(j)				
Non-Departmental Capital Expenditure	s9(2)(j)				
Defence Capability Delivery	s9(2)(j)				

12. **note** that that the changes to appropriations in recommendation 11 above have no impact on the operating balance or net core Crown debt as they are offset by a capital receipt from the New Zealand Defence Force; **Noted**

13. **approve** the following changes to appropriations and departmental capital injections to give effect to the policy decision in recommendation 5 above, with a corresponding impact on the operating balance and net core Crown debt; **Yes / No**

## NETWORK ENABLED ARMY – INVESTMENT ONE

Vote Defence Force Minister of Defence	NZ\$ million – Increase / (Decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
<b>Multi-Category Expenses and Capital Expenditure:</b> 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)					
New Zealand Defence Force: Capital Injection					
<b>Total Operating</b>					
<b>Total Capital</b>					

14. **note** the following changes to the New Zealand Defence Force – Capital Expenditure PLA authorised by section 24(1) of the Public Finance Act 1989, with a corresponding impact on the net Crown debt;

**Noted**

Vote Defence Force Minister of Defence	NZ\$ M – Increase / (Decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Departmental Capital Expenditure: New Zealand Defence Force Capital Expenditure PLA	s9(2)(g)(i)				

15. **agree** that the expenses incurred under recommendation 13 above be charged against the Upgrade Army Communications Tranche 3 Phase 1—tagged operating contingency described in recommendation 4 above;
16. **agree** that the departmental capital injection incurred under recommendation 13 above be charged against the Upgrade Army Communications Tranche 3 Phase 1—tagged capital contingency described in recommendation 4 above;
17. **agree** that the proposed changes to appropriations for 2025/26 in recommendations 11 and 13 above be included in the 2025/26 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
18. **note** that following the changes detailed in recommendation 13 above, the tagged capital contingency as described in recommendation 4 above is now exhausted and therefore closed;
19. **note** that following the adjustments detailed in recommendation 13 above, the tagged operating contingency as described in recommendation 4 above has a cumulative net balance of s9(2)(j) as detailed in the table below s6(a)

**Yes / No**

**Yes / No**

**Yes / No**

**Noted**

**Noted**

## NETWORK ENABLED ARMY – INVESTMENT ONE

	NZ\$ million – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Out years
Upgrade Army Communications Tranche 3 Phase 1—Tagged Operating Contingency	s9(2)(j)				

20. **note** that, while there is still funding remaining in the tagged operating contingency, as set out in recommendation 19 above, this funding is no longer required for this project;

Noted

21. **agree** that the tagged operating contingency as described in recommendation 4 above be closed and the remaining funding be returned to the centre;

Yes / No

22. **note** that the Minister of Defence will seek Cabinet approval at a later date for Investment Two of the NEA Programme; and

Noted

23. **refer** this paper to the Minister of Finance for concurrence.

Yes / No

s9(2)(k)

**HON JUDITH COLLINS KC**  
Minister of Defence

Date: 26/08/25

s9(2)(k)

**HON NICOLA WILLIS MP**  
Minister of Finance

Date: 14/9/25

# NETWORK ENABLED ARMY – INVESTMENT ONE

## Report

### Purpose

1. This briefing seeks approval of the refreshed Network Enabled Army (NEA) Programme Investment One Implementation Business Case and approval to draw down s9(2)(j) of capital injection and s9(2)(j) of steady-state operating uplift from the tagged contingencies established as part of Budget 25 [CAB-25-MIN-0126.19, Initiative No: 16217 refers].
2. This investment supports the delivery of the 2025 Defence Capability Plan (DCP). Alignment with the four key DCP considerations<sup>2</sup> is outlined in Annex A.
3. Cabinet authorised, through CAB-25-MIN-0126.19, the Minister of Defence and the Minister of Finance to jointly drawdown the tagged operating and capital contingencies, subject to their satisfaction with the Implementation Business Case for Investment One (attached at Annex B).

### The Network Enabled Army Programme is transforming the way Army operates

4. The NEA Programme was established to transform the way the New Zealand Army operates. s6(a)
5. The NEA capabilities will ensure that soldiers and commanders have immediate access to real-time reliable data, and orders and messages are transmitted instantaneously.
6. To date, the NEA Programme has delivered the successful research and design (proof of concept) of a digitally enabled Army system best suited to New Zealand. The NEA Programme's proof of concept has also equipped one Light Infantry Company (around 120 personnel) and one unit headquarters (around 10 personnel), and provided the supporting network architecture (deployable satellite dishes, servers, and other digital equipment). The equipment delivered to date has upskilled personnel in the relevant units, providing both operational and training benefits.

### Cabinet has selected 'Maintain Secure Communications' as the preferred option for delivering the next investment in the NEA Programme

7. In March 2025, Cabinet approved a Detailed Business Case for Investment One [EXP-25-MIN-0028] and selected Maintain Secure Communications as the preferred option, s6(a)
8. This option ensures that the Army can continue to deploy across the spectrum of operations from Humanitarian Assistance and Disaster Relief to combat, including with partners. This option also lays the foundation for fully networking the Army in future investments of the NEA Programme.

9. s6(a) s6(a)

<sup>2</sup> What is the most cost-effective and durable option?

What is the Australian approach, and is there any reason for New Zealand to take a different approach?

Can we partner with industry to deliver the capability differently?

What is the minimum viable capability needed?

## NETWORK ENABLED ARMY – INVESTMENT ONE

s6(a)

### The Army depends on secure and reliable communications

10. This investment will deliver sufficient secure radios<sup>3</sup> to equip [REDACTED] s6(a)  
[REDACTED] It will also deliver additional equipment (such as satellites and servers) for the network-enabled headquarters to deploy with greater resilience, lowering the risk of damage or destruction of parts rendering the network unusable.
11. Secure communication is essential for almost all deployments, particularly in combat situations where the risk from cyber-attacks is heightened.
12. This investment will also support ongoing training and change management within Army to support integration of these capabilities.
13. Since approval of the DBC, and the Budget 25 submission, the quantity mix of capability being purchased has been amended [REDACTED] s6(a), s9(2)(j)  
[REDACTED] This change has no impact on the delivery of the preferred option and costs remain within the allocated funding envelope.

### Deliverables for Investment One will be provided through existing supplier relationships

14. The refreshed NEA Programme has the benefit of leveraging established enduring commercial relationships as part of the development and delivery of earlier NEA investments. Industry partners include:
  - a) Systematic as the provider of Battle Management System software and services,
  - b) L3 Harris Communications Australia as the mobile tactical radio partner,
  - c) CUBIC as the Tactical Networking (TNET) and SATCOM equipment and services provider.
15. These partners have supported the successful delivery of the NEA proof of concept capabilities and Defence has confidence they can deliver the remainder of the NEA Programme.
16. For this investment, the new secure radios for Army will be procured through an amendment to the earlier Foreign Military Sales agreement with the United States Government.
17. Commercially available radios, ancillaries, and technical services to support their rollout will be procured through the current Master Services Agreement with L3 Harris Communications Australia.<sup>4</sup>
18. Procurement of the Sitaware battle management software licences will be under the through life support arrangements with Systematic.
19. Procurement of the additional Communication Access Nodes (inflatable deployable satellite dishes) will be procured through the Master Services Agreement signed with Cubic GATR under the initial investment in the NEA Programme (prior to the Programme refresh).

3

s6(a)

4

s9(2)(b)(ii)

## NETWORK ENABLED ARMY – INVESTMENT ONE

20. Training will be delivered by Army, through the Capability Integration Centre, in accordance with training material already introduced into service in earlier investments.

### Financial implications

21. [Redacted] s9(2)(j)

22. This paper seeks approval of [Redacted] s9(2)(j) in capital injection for Investment One of the refreshed NEA Programme and operating baseline uplift with annual phasing as set out in the table below:

Expenditure	NZ\$ million – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Direct Operating Cost	s9(2)(j)				
[Redacted] s9(2)(j)					
Capital Charge					
<b>Total Operating Baseline Uplift</b>					
<b>Capital Expenditure (including contingency)</b>					

Table 1: Capital injection and operating uplift required for the preferred option

23. [Redacted] s9(2)(j)

Tagged contingencies	NZ\$ million – increase/(decrease)				
	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
Operating Contingency	s9(2)(j)				
Capital Contingency					

Table 2: Tagged contingencies established at Budget 25

24. The phasing of both the forecast capital and operating expenditure has been updated in the business case and requires rephasing of the tagged contingencies. The forecast capital expenditure remains the same at [Redacted] s9(2)(j) in total. [Redacted] s9(2)(j)

### Risks

25. Key risks and their mitigations for NEA Programme Investment One are listed below.

Main Risks	Comments and Risk Management Strategies
IF there is a rapid advance in technology leading to a step change in the technology required to deploy in contested environments THEN the safety of	The Programme team is working with industry partners to ensure that upcoming technological changes are known in advance. Government can

## NETWORK ENABLED ARMY – INVESTMENT ONE

deployed personnel will be at risk, and the cost of the programme will increase.	then be made aware of the extra cost and trade-offs with sufficient time to maintain choices.
IF the elements of the network are unable to work together THEN expensive redesign of the network will be necessary also causing delays.	The first investments (prior to the Programme refresh) of funding have provided a proof of concept. This greatly reduces the likelihood of this risk eventuating. The majority of the equipment purchased during the remainder of the Programme will be more of the same equipment procured in the first investments (prior to the Programme refresh) of funding.
s9(2)(j)	
A larger number of smaller investments (i.e. 3 investments over multiple budget years) risk an incoherent capability being delivered, as introduction of a large and diverse range of equipment, is purchased over extended periods, with increased risk of obsolescence.	To mitigate this, the Programme has procedures in place to ensure new equipment and functionality is managed in accordance with defence's requirement management framework.

Table 3: Primary Risks for the NEA Programme

### Next steps

26. On approval of this paper, the NEA Programme will commence delivery of Investment One, draw down the funding, and procure the radios, satellites, servers and resource needed to deliver and integrate the capabilities.
27. Defence will develop a Detailed Business Case for Investment Two of the Programme, for Cabinet consideration s9(2)(f)(iv)
28. If funded, communications will be coordinated through the Office of the Minister of Defence. Defence intends to proactively release this paper, with appropriate redactions in line with the Official Information Act 1982.

### Consultation

29. This paper was prepared by the Ministry of Defence and the New Zealand Defence Force. The Treasury has been consulted on this paper and the associated business case and their comments incorporated.
30. Additionally, the Department of Internal Affairs (Government Chief Digital Officer), Te Kawa Mataaho/Public Services Commission, Department of the Prime Minister and Cabinet, National Emergency Management Agency, Ministry of Foreign Affairs and Trade, Te Waihanga/Infrastructure Commission, and Government Communications Security Bureau were consulted on the Implementation Business Case.

# NETWORK ENABLED ARMY – INVESTMENT ONE

## Annex A – Relation to the Defence Capability Plan 2025

1. This investment features in the Defence Capability Plan 2025 as a near-term priority. The Defence Capability Plan 2025 requires all investments to consider four key questions:

### ***What is the most cost-effective and durable option?***

2. The options analysis process indicated that providing secure voice communication for the Army, alongside a s6(a) deployable network capability, is the most cost-effective and durable option. A summary of the options analysis can be found in the Economic Case of the Implementation Business Case.

### ***What is the Australian approach, and is there any reason for New Zealand to take a different approach?***

s6(a), s6(b)(i)

### ***Can we partner with industry to deliver the capability differently?***

4. The Programme considered opportunities for New Zealand industry as part of this investment. There are presently no local manufacturers who produce military standard equipment that is compliant with the Army's operational and security requirements.
5. However, this is the first of three investments that deliver the remainder of the Programme. The second investment will deliver Intelligence, Surveillance, and Reconnaissance capabilities and there are some entities within New Zealand who may wish to provide equipment or services to support their successful introduction into service and sustainment.

s6(a)

s9(2)(f)(iv)



# Cabinet Expenditure and Regulatory Review Committee

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*

### Network Enabled Army: Programme Business Case and Detailed Business Case

Portfolio                      Defence

On 25 March 2025, the Cabinet Expenditure and Regulatory Review Committee:

#### Background

- 1        **noted** that previous Governments agreed to the Network Enabled Army Programme, including funding the first tranche in 2015 and providing additional funding in 2019 [SEC Min (15) 5/2, GOV-19-MIN-0035];
- 2        **noted** that funding provided to date has funded a successful ‘proof of concept’ of the Network Enabled Army Programme;
- 3        **noted** [REDACTED] s6(a) [REDACTED] that networked capabilities are required to remain effective and interoperable with partners for the foreseeable future;

#### Network Enabled Army Programme

- 4        **agreed** that the Deployable Network option is the preferred option to deliver the remainder of the Network Enabled Army Programme, as it provides an effective deployable network enabled force, which ensures the Army remains a credible military force independently and with partners;
- 5        **noted** that the preferred option has an indicative net present whole-of-life-cost of [REDACTED] s9(2)(f)(iv), s9(2)(j) over the 20-year appraisal period discounted at the Treasury-specified rate of 2 per cent;

#### Maintain Secure Communications

- 6        [REDACTED] s6(a) [REDACTED]
- 7        **agreed** that the preferred option for the next investment in the Network Enabled Army Programme is the Maintain Secure Communications option, which provides secure voice communications [REDACTED] s6(a) [REDACTED], maintaining the range of military response options for government;

- 8 **noted** that the Minister of Defence has sought s9(2)(j) in capital costs and s9(2)(j) as a 4-year operating uplift through Budget 2025 for this investment;
- 9 **directed** officials to begin preparing a Project Implementation Business Case for the investment outlined in the Detailed Business Case, attached to the paper under EXP-25-SUB-0028.

Sam Moffett  
Committee Secretary

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**Present:**

Rt Hon Winston Peters  
Hon David Seymour (Chair)  
Hon Nicola Willis  
Hon Chris Bishop  
Hon Brooke van Velden  
Hon Paul Goldsmith  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Mark Mitchell  
Hon Simon Watts  
Hon Shane Jones  
Hon Casey Costello  
Hon Chris Penk  
Hon Andrew Hoggard  
Hon Mark Patterson

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Office of the Minister of Defence  
Officials Committee for EXP

## New Zealand Defence Force: Network Enabled Army Programme – Programme Business Case and Detailed Business Case

### Proposal

- 1 This paper seeks:
  - 1.1 Cabinet approval of the refreshed Programme Business Case and agreement to the preferred delivery option for the remainder of the Network Enabled Army (NEA) Programme (*Deployable Network*), which commenced in 2015. The remainder of the Programme has an indicative net present whole of life cost of s9(2)(f)(iv), s9(2)(j) over 20 years.
  - 1.2 Approval of the Detailed Business Case and to develop a Project Implementation Business Case for the next investment (*Maintain Secure Communications*) in the Programme. It has an indicative capital cost of s9(2)(j) and a steady-state annual operating cost of s9(2)(j)
- 2 This paper does not seek any financial commitment. I am presenting it now to ensure the next investment in the NEA Programme (*Maintain Secure Communications*) meets the criteria for Budget 2025 initiatives. I sought funding through Budget 2025 for this investment.

### Relation to government priorities

- 3 Continued investment in the NZDF is necessary to achieve the Government's foreign, defence and trade policy priorities. In particular, investment contributes to New Zealand's active defence policy agenda, enhancing our security and underpinning our prosperity. It also signals that the Government will be vigilant in the protection of the values of democracy, freedom and security.<sup>2</sup>

4

s9(2)(f)(iv)

### Executive Summary

- 5 The NEA Programme was established in 2015 to transform the way the Army operates. s6(a)

<sup>1</sup> The net present cost of the whole-of-life cost is s9(2)(j).

<sup>2</sup> *Speech From the Throne* 6 December 2023 <https://gazette.govt.nz/notice/id/2023-vr5697>

s6(a)

systems to perform the range of tasks expected by government. In 2015 and 2019, [CAB Min (15) 11/7 and GOV-19-MIN-0036 refer] Cabinet agreed that the NEA Programme will provide faster, digital systems

s6(a)

6

s6(a)

7

Since its inception in 2015 the NEA Programme has undertaken the successful research and design of a digitally enabled Army system best suited to New Zealand. The Programme has also procured and implemented a 'proof of concept' which has equipped one Light Infantry Company (around 120 personnel), one unit headquarters (around 10 personnel) and provided the supporting network architecture (deployable satellite dishes, servers, and other digital equipment). The equipment delivered to date has upskilled individuals having both operational and training benefits.

8

The time spent in research, design, and then delivery of the proof of concept has ensured that the NEA Programme deliverables are well suited to the New Zealand context and has avoided expensive redesigns and rework.

9

The NEA capabilities will ensure that soldiers and commanders have immediate access to real-time reliable data, and orders and messages are transmitted instantaneously. This will support defence and foreign policy priorities such as improved HADR delivery in the Pacific, and seamless communication and cooperation with partners when undertaking coalition operations.

10

Defence officials undertook an assessment to refresh the Programme and ensure the deliverables remain relevant. The assessment recommended continuing with the deliverables agreed by Cabinet in 2015 and 2019 [CAB Min (15) 11/7 and GOV-19-MIN-0036 refers] as these provided the best value for money while ensuring the Army remains relevant and can deploy with partners into the future.

11

The successful delivery of the two tranches so far was confirmed by the Gateway review. However, the review noted that a funding commitment was needed

s6(a)

To support this recommendation, Cabinet is asked to approve the attached refreshed Programme Business Case which recommends the remainder of the deliverables

s9(2)(g)(i)

<sup>3</sup> See Gateway Review findings at Appendix One.

s9(2)(g)(i)

- 12 In order to continue with the Programme a decision must be made about how much of the Army is equipped with network enabled capabilities. The preferred option ('*Deployable Network*'), consistent with the original Programme Business Case, will network enable the Army s6(a) [redacted]. The alternative option of s6(a) [redacted] reduces benefits and provides only marginal savings (\$8 million in capital).
- 13 The next investment in the NEA Programme, outlined in the attached Detailed Business Case (Appendix Four), will replace some of the Army's radios. Secure communication is essential for almost all deployments, particularly in combat situations where the risk from cyber-attacks is heightened. s6(a) [redacted]
- 14 More of the same equipment delivered already as part of the proof of concept will also be purchased as part of the next investment, s6(a) [redacted]. The next investment provides all the necessary supporting equipment to connect to Army personnel out in the field, such as servers and satellite dishes. The purchase of additional equipment allows the network-enabled headquarters to deploy with greater resilience, lowering the risk of damage or destruction of parts s6(a) [redacted]
- 15 If Cabinet agrees to the proposals in this paper, Defence will develop a Project Implementation Business Case for the next investment in the NEA Programme. Subject to Budget approval, the Implementation Business Case will be presented to Cabinet in 2025. Additional business cases to complete the Programme will be present to Cabinet in line with the Defence Capability Plan, once approved.

### Background

- 16 The NEA Programme is transforming the way the Army's planning, intelligence, and communications functions operate, shifting from the old s6(a) [redacted] to modern fast, secure, reliable, and interoperable digital-based systems.
- 17 This is achieved by providing the Army, from the individual soldier to Headquarters Joint Forces New Zealand, with a range of modern communications and digital capabilities which will make operations more

<sup>4</sup> This is reflected in the proposed Defence Capability Plan.

s9(2)(g)(i)

effective and ensure interoperability with partners. These capabilities include real-time maps and location data (for friendly forces and reported threats), the ability to share orders through text or digital drawings and, utilise reconnaissance, surveillance, and intelligence technologies to help gather and analyse data during an operation. This will provide commanders and soldiers with detailed, reliable, real-time information allowing them to make quicker and more effective decisions.

s6(a)




18

s6(a)





19

The capabilities delivered by the NEA Programme will enable the sharing of information with Australia and other partners while on operations. s6(a)



s6(a)



20

s9(2)(g)(i)



21

Following the Gateway, Defence reviewed the previous Programme Business Case to ensure that the NEA Programme remained fit for purpose and affordable s9(2)(g)(i) Since its first approval by Cabinet the Programme has matured, with the network design complete and a clear understanding of the pathway to a network enabled force. In this time

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<sup>6</sup> For more information on the Gateway review, the recommendations, and action plan, see Appendix One.

the strategic environment has also continued to deteriorate reinforcing the need for the NEA deliverables.

22 The Defence review concluded that the Programme should continue with the deliverables agreed by Cabinet in 2015 and 2019 [CAB Min (15) 11/7 and GOV-19-MIN-0036 refers] and described in Table 1 (see paragraph 31), as these deliverables provided the best value for money while ensuring the Army remains relevant and can deploy with partners into the future.

23

s9(2)(g)(i)

### **A decision on how to proceed with the NEA Programme must now be made**

*The Deployable Network is the preferred option for Programme delivery*

24 A decision on how to deliver the remainder of the NEA Programme must now be made. The Programme Business Case attached (Appendix Three) proposes three options for delivering the remainder of the NEA Programme. The options relate to how much of the Army is equipped with network enabled capability (see Figure 2).

25 The preferred option, *Deployable Network*, allows the Army to deploy across the range of operations directed by Government, s6(a)

This option also ensures that the Army remains interoperable with partners for the foreseeable future s6(a)

26

s6(a)

27 The proof of concept delivered already by the Programme has proven the value s6(a) The *Deployable Network* option therefore proposes continuing with this roll out of the network s6(a)

28

s6(a)

s6(a)

s6(a), we can make a valued contribution to any coalition operation or exercise.

- 29 By only extending the network enabled capabilities s6(a) as described in the *Reduced Network* option, value for money and benefits are reduced. Minimal financial savings (capital expenditure of \$8million) would be made in comparison to the preferred option, therefore there is an overall reduction in the value for money of the Programme. The *Reduced Network* option would also be less effective in delivering the benefit of reducing risk to personnel, civilians and property.
- 30 Figure 2 below provides a simplified visual representation of the structure of the Army and how each option provides a more comprehensive networked Army for New Zealand.



*The proposed Defence Capability Plan includes investment in the NEA Programme*

- 31 The NEA Programme as described in this paper features in the proposed Defence Capability Plan 2025. Subject to Cabinet approval, the first investment to deliver the remainder of the Programme is s9(2)(j). A summary of the investment deliverables is shown in Table 1.

Table 1: Deliverables across investment years for the Network Enabled Army Programme.

Delivery Year	Items for delivery
---------------	--------------------

- 32 The Defence Capability Plan also includes investment in the refresh of the equipment provided by this Programme during the Programme's life. However, refresh of the equipment once the Programme has delivered its final capabilities is outside of scope and will likely be the basis for a future programme of work.

**The next investment in the NEA Programme will maintain Army's ability to communicate securely**

- 33 The next investment for the NEA Programme, as proposed in the attached Detailed Business Case, seeks investment of [REDACTED] s9(2)(j)

[REDACTED]. Defence assessed options for this next investment within the proposed Defence Capability Plan allocation.

- 34 Based on the options assessment in Appendix Two, *Maintain Secure Communications* is the preferred option, taking into consideration risk and immediacy of need. This option ensures that the Army can continue to deploy across the spectrum of operations from Humanitarian Assistance and Disaster Relief to combat, including with partners. This option also lays the foundation for fully networking the Army in future investments in the Programme.

<sup>8</sup> The system located at the deployed headquarters which takes in all the data and voice communications (from vehicles and personnel on operations, as well as from JFHQNZ) and allows them to be accessed by others in the system.

35

s6(a)

36

The investments outlined above are required for the Army to be able to deploy in line with government policy.

s6(a)

### Implementation

37

The governance milestone for the Maintain Secure Communications investment is shown in the table below. There are no Interim Operational Release or Operational Release milestones for this investment as no new capabilities or platforms are being fully provided with equipment.

Table 5: Governance milestone for the next investment in the NEA Programme

Governance Milestones	Date
Verify and Accept Deliverables	FY 2027/28

### Key implementation risks and mitigations

38

Digital technologies are rapidly evolving.

s6(a)

To mitigate this, the Programme tracks and engages with our partners who are undertaking similar programmes and leverages partnerships with industry to work through any potential developments.

39

There is a risk that splitting the NEA Programme into a larger number of smaller investments will result in an incoherent capability being delivered as a large and diverse range of equipment is purchased over extended periods. To mitigate this, the Programme has experimentation procedures for new equipment and is managing scope in accordance with best practice.

40

Integrating these technologies into the day-to-day operation of the Army requires a large effort, including changing the operating model of the New Zealand Army.

s9(2)(g)(i)

This is mitigated by delivering the Programme in smaller investments, spreading the work needed to integrate this capability into the day-to-day operations of Army over a longer period.

### Financial Implications

41

The indicative capital and operating costs for the preferred option for the remainder of the NEA Programme are shown in table below.

Investment (\$ million)	Commitment year	Capital	Operating (steady state) <sup>9</sup>
Investment 1	2025/26	s9(2)(f)(iv)	
Investment 2	s9(2)(f)(iv)		
Investment 3			
<b>Total</b>			

42 The net present cost of the whole-of-life-cost for the rest of the Programme is s9(2)(j), over 20 years, discounted at Treasury-specified discount rate of 2%.

43 The capital and annual operating costs for the *Maintain Secure Communications* option is shown in the below table. The net present cost of the whole-of-life-cost is s9(2)(j)

	NZ \$ millions increase/(decrease)			
	2025/26	2026/27	2027/28	2028/29 & out years
<b>Capital Expenditure</b>	s9(2)(j)			
<b>Operating Expenditure (including depreciation &amp; capital charge)</b>				

44 An initiative has been submitted into Budget 2025 seeking to set up capital and operating contingencies for the amounts above to support this investment.

### Programme Assurance

45 The NEA Programme is being delivered under Defence's Capability Management System, which has been developed in alignment with international best practice specifically to deliver defence capability. In response to Gateway feedback on governance, Defence has implemented a new Governance structure, better focused on programme management. The Programme Board now includes both the Chief and Deputy Chief of Army as well as the Deputy Secretary of Capability Delivery. The Programme Board reports to the Capability Governance Board which is chaired by the two Defence Chief Executives and includes two independent external members.

46 The project is assessed by The Treasury as High Risk. The project will be subject to Gateway reviews to provide external assurance throughout delivery of the programme.

### Other Implications

47 There are no cost of living, legislative, regulatory, climate, population, or human rights implications identified.

<sup>9</sup> Including depreciation and capital charge.

## Use of External Resources

- 48 No external resources were engaged in the development of the policy advice in this Cabinet Paper and attached Business Cases.

## Consultation

- 49 This paper was prepared by the Ministry of Defence and the NZDF. It has been consulted with the Government Communications Security Bureau, New Zealand Security and Intelligence Service, Public Service Commission, Ministry of Foreign Affairs and Trade, Department of Prime Minister and Cabinet, Government Chief Digital Officer, and The Treasury. Their feedback is reflected in this paper.

## Communications

- 50 Publicity will be coordinated by the Office of the Minister of Defence.

## Proactive Release

- 51 I intend to proactively release this paper and associated minute, with appropriate redactions in line with the Official Information Act 1982.

## Recommendations

The Minister of Defence recommends that the Committee:

- 1 **note** that Cabinet agreed to the Network Enabled Army Programme, including funding the first tranche in April 2015 [CAB Min (15) 11/7 refers], with additional funding provided in 2019 [GOV-19-MIN-0036 refers];
- 2 **note** that funding provided to date has funded a successful 'proof of concept' of the Network Enabled Army Programme;
- 3 **note** [redacted] s6(a) [redacted] that networked capabilities are required to remain effective and interoperable with partners for the foreseeable future.

### *Network Enabled Army Programme*

- 4 **agree** that the *Deployable Network* option is the preferred option to deliver the remainder of the Network Enabled Army Programme. This option provides an effective deployable network enabled force, which ensures the Army remains a credible military force independently, and with partners.
- 5 **note** that the preferred option has an indicative net present whole-of-life-cost of [redacted] s9(2)(j) [redacted] over 20-year appraisal period discounted at Treasury-specified rate of 2%.

### *Maintain Secure Communications*

6

s6(a)

7

**agree** that the preferred option for the next investment in the Network Enabled Army Programme is the *Maintain Secure Communications* option, which provides secure voice communications for deployable portion of the Army, maintaining the range of military response options for government.

8

**note** that I have sought s9(2)(j) in capital costs and s9(2)(j) as a 4-year operating uplift through Budget 2025 for this investment; and

9

**direct** officials to begin preparing a Project Implementation Business Case for the investment outlined in the attached Detailed Business Case.

Authorised for lodgement

Hon Judith Collins KC MP

**Minister of Defence**

List of Appendices:

Appendix One – Gateway Review Results and Action Plan

Appendix Two – Options Analysis for Programme Business Case and Detailed Business Case

Appendix Three – Network Enabled Army Programme Business Case

Appendix Four – Network Enabled Army Detailed Business Case

**Appendix One**

s6(a)

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s6(a)

The recommendations and action plan resulting from the above result can be found in the below table:

Gateway	Recommendation	Remediation Action
Gateway 0	Develop a short, compelling strategic narrative that succinctly explains the importance and necessity of the capability, the value being derived through Tranche 1 and the need to invest now for completion of the Programme.	Actioned in the Strategic Case in the attached Programme Business Case.
Gateway 0	Review the options for the next business case and what it is intended to achieve – with particular focus on the strategic case (non-discretionary capability), financial case, and management case and decide whether to stop, continue, or pivot to a continuum of commitment.	This Business Case refreshes the strategic, financial, and management cases. Based on the work summarised in this business case, the Capability Governance Board has decided to continue with the Programme, with phased investment.
Gateway 0	Review the Programme Board and its membership and operations to focus on the overall programme activities, provide the leadership, drive and guidance needed to the projects to operate as part of the wider Programme.	Actioned through the Management Case of attached Programme Business Case.

Gateway	Recommendation	Remediation Action
Gateway 0	Review the Programme management approach to ensure it is cross-PRICIE, focussed on outcomes, with dependencies mapped and managed, and operating at Programme level not just a rolled-up view of multiple projects.	Actioned through the Management Case of attached Programme Business Case.
Gateway 4	Review the activities necessary to achieve Tranche 1 Operational Release and ensure there is a plan in place to achieve this milestone. Ensure the plan clearly defines what Operational Release is and how it will be achieved.	The September 2024 Capability Governance Board approved Operational Release to be represented by the Operational Release of a Light Infantry Company. The path to achieving this milestone is embodied in the Tranche 1 Operational Testing and Evaluation Plan.
Gateway 0	Pivot to a continuum of commitment with associated funding and skills/personnel allocation.	Investment in the Programme is included in the Defence Capability Plan, which proposes phased investment in the Programme <span style="background-color: black; color: white;">s9(2)(f)(iv)</span> <span style="background-color: black; color: black;">[REDACTED]</span> <span style="background-color: black; color: black;">[REDACTED]</span>

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## Appendix Two

### Options Analysis

Table 3: Options assessment for the remainder of the NEA Programme.

	Status Quo	Reduced network	Deployable Network	Domestic and Training Network
Appraisal Period (years)	20	20	20	20
Total Capital Costs	s9(2)(f)(iv), s9(2)(j)			
Present Value of costs				
<i>Investment Objectives</i>				
<i>Transform the way Army operates</i>	s6(a), s9(2)(g)(i)			
<i>Maximise tactical command</i>				
<i>Provide effective situational awareness</i>				
<i>Increase safety of personnel and equipment</i>				
<i>Operate in modern digital environments</i>				
<i>Critical Success Factors</i>				
<i>Strategic fit</i>	s9(2)(g)(i)			
<i>Value for Money</i>				
<i>Supplier Capacity</i>				
<i>Affordability</i>				
<i>Achievability</i>				
<i>Analysis of non-monetary benefits:</i>				
<i>Operationally effective land forces</i>	s6(a), s9(2)(g)(i)			
<i>Meets expectations of reducing risk to personnel, civilians, and property.</i>				
<i>Maintain range of government options</i>				
Preferred option	No	No	Yes	No

Short listed options for Programme Delivery:

- 1 *Status Quo – No capital cost, only operating costs currently in baselines, with net present cost of the whole-of-life-cost of s9(2)(j) (discounted at Treasury-specified discount rate of 2%):*

This option would see the Army receive the capabilities funded to date. s6(a)

No further investment is made.

- 2 *Reduced Network - s9(2)(f)(iv) in capital costs, with net present cost of the whole-of-life-cost of s9(2)(f)(iv), s9(2)(j)*

This option provides a network s6(a) s6(a)

The command posts, protection, and detection equipment procured as part of the first two tranches of the Programme will be rolled out to the rest of the Army.

- 3 *Deployable Network - s9(2)(f)(iv) in capital costs, with net present cost of the whole-of-life-cost of s9(2)(f)(iv), s9(2)(j):*

This option provides networked capabilities down s6(a)

This option also provides upgraded command posts, protection, and detection equipment to the rest of the Army. The upgraded equipment will ensure that the Army is best equipped against contemporary battlefield threats.

- 4 *Domestic and Training Network - s9(2)(f)(iv), in capital costs, with net present cost of the whole-of-life-cost of s9(2)(f)(iv), s9(2)(j):*

This option provides the same equipment as the Deployable Network option but provides further radios, end user devices (including tablets), and command posts to the Army. s6(a)

Table 4: Options analysis for the first investment in the refreshed NEA Programme.

	Status Quo	Maintain Secure Communications	Network Enabled Military Response Option
Appraisal Period (years)	8	8	8
Total Capital Costs	s9(2)(f)(iv)		
Present Value of costs			
	<i>Investment Objectives</i>		
	s6(a), s9(2)(g)(i)		
<i>Transform the way Army operates</i>			
<i>Maximise tactical command</i>			
<i>Provide effective situational awareness</i>			
<i>Increase safety of personnel and equipment</i>			
<i>Operate in modern digital environments</i>			
	<i>Critical Success Factors</i>		
	s9(2)(g)(i)		
<i>Strategic fit</i>			
<i>Value for Money</i>			
<i>Supplier Capacity</i>			
<i>Affordability</i>			
<i>Achievability</i>			
	<i>Analysis of non-monetary benefits:</i>		
	s6(a), s9(2)(g)(i)		
<i>Operationally effective land forces</i>			
<i>Meets expectations of reducing risk to personnel, civilians, and property.</i>			
<i>Maintain range of government options</i>			
Preferred option	No	Yes	No

Short list for next investment in NEA:

s6(a)



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