HON PAUL GOLDSMITH, MINISTER OF DEFENCE

Garrison and Training Support: Single Stage Business Case

November 2026

This publication provides the Cabinet paper and associated minute of decision for seeking Cabinet's approval of the Garrison and Training Support Project Single Stage Business Case, as well as the Approval to Deliver for the Project's Phase Two, Tranche One.

The pack comprises the following documents:

- the March 2025 Cabinet paper *Garrison and Training Support: Single Stage Business Case* and associated minute of decisions [EXP-25-SUB-0026 and EXP-25-MIN-0026]
- the August 2026 Approval to Deliver briefing *Garrison and Training Support Project Phase Two, Tranche One Approval to Deliver [NZDF 2026-077 MOD 97-2026]*

This pack has been released on the Ministry of Defence website, available at: 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. Where information has been withheld in accordance with section 9(2) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.

In addition, the business case for this project is withheld in full in accordance with the following provisions of the Act. Recognising the public interest in information on the investment decision, the Cabinet paper provides a summary of the key information that formed the basis of Cabinet's decision to invest this funding.

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)]
- the entrusting of information to the Government of New Zealand on the basis of confidence by the Government of any other country [section 6(b)(i)]
- The entrusting of Information to the Government of New Zealand on the basis of confidence by and international organisation [section 6(b)(ii)].

Information is also withheld in order to:

- maintain the privacy of natural persons [section 9(2)(a)]
- protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied the information [section 9(2)(b)(ii)]
- maintain the constitutional conventions for the timing being which protect the confidentiality of advice tendered by Ministers of the Crown and officials [section 9(2)(f)(iv)]
- 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 out, without prejudice or disadvantage, negotiations [section 9(2)(j)].

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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.

Garrison and Training Support: Single Stage Business Case

Portfolio **Defence**

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

1 **noted** that the current Garrison and Training Support (GATS) fleet has far exceeded its useful life, with the Unimogs being over 40 years old;

2 **noted** that the initial phase of the GATS Project was approved in 2019 under Defence Chief Executive delegation and funded through depreciation, and that those vehicles are currently being introduced into service and are supporting ongoing NZDF operations;

3 **noted** that the paper under EXP-25-SUB 0026 does not seek any financial commitment, and that the Minister of Defence (the Minister) is presenting it now to ensure that Tranche One of the GATS project meets the criteria for Budget 2025 initiatives;

4 **approved** the Garrison and Training Support Phase Two: Single Stage Business Case, attached to the paper under EXP-25-SUB-0026;

5 **agreed** that 'Do Minimum' is the preferred option to deliver the GATS project;

6 **noted** that the preferred option of the first two tranches has indicative capital expenditure of s9(2)(f)(iv) in capital and a steady-state annual direct operating cost of s9(2)(f)(iv) (excluding depreciation and capital charge), with net present cost of the whole-of-life-cost of s9(2)(f)(iv) over 19-year appraisal period discounted at the Treasury-specified rate of 2 per cent;

7 **noted** that the Minister has sought $47.001 million in capital and s9(2)(j) in four-year operating uplift through Budget 2025 for Tranche One, and that this investment is signalled in the Defence Capability Plan for Budget 2025;

8 **agreed in principle**, subject to funding being approved at Budget 2025, to Defence undertaking market engagement and developing a Project Implementation Business case for Tranche One of the GATS project;

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9 **agreed in principle**, s9(2)(f)(iv) to Defence developing a Project Implementation Business Case for Tranche Two of the GATS project.

Sam Moffett
Committee Secretary

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

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RESTRICTED

Office of the Minister of Defence

Cabinet Expenditure and Regulatory Review Committee

Defence Force: Garrison and Training Support – Single Stage Business Case

Proposal

1 This paper seeks approval of the attached Garrison and Training Support (GATS) Project Single Stage Business Case and approval of the preferred option for the remainder of the project (*Do Minimum*). This paper also seeks approval to develop Project Implementation Business Cases for Tranche One (Budget 2025) and Tranche Two S9(2)(f)(iv) of the GATS Project.

2 This paper does not seek any financial commitment. I am presenting it now to ensure Tranche One of the GATS Project meets the criteria for Budget 2025 initiatives. This tranche has an indicative cost of $47.001 million in capital and s9(2)(j) in steady state operating costs. I am seeking funding through Budget 2025 for this investment.

Relation to government priorities

3 Continued investment in the New Zealand Defence Force (NZDF) is necessary to achieve the Government's foreign, defence and trade policy priorities. 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.[1]

4 The cost of the programme is within the indicative cost included in the draft Defence Capability Plan options.

Executive Summary

5 The NZDF utilises a fleet of vehicles based in New Zealand to:

5.1 contribute to natural disaster responses in New Zealand;

5.2 enable the NZDF to raise, train, and sustain highly skilled personnel to support the Government's defence policy objectives; and

5.3 allow continuation of crucial services such as rural firefighting and airfield fire response.

[1] *Speech From the Throne* 6 December 2023 https://gazette.govt.nz/notice/id/2023-vr5697

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6 The fleet which performs these “Garrison and Training Support” functions is ageing and obsolete. The Garrison and Training Support (GATS) Project is delivering commercial vehicles to replace the current fleet (which includes the 40-year-old Mercedes Unimogs) and continue its functions.

7 The GATS fleet is being updated in two phases. An initial (smaller) NZDF funded phase has progressed well. This paper seeks approval of the *Do Minimum* option for the remaining second (larger) phase of the project. Under this option, Defence will purchase up to 550 commercial vehicles. Use of commercial vehicles reduces the cost per vehicle by 28% to 87% when compared to military specific vehicles. It also reduces the risk of delays to the project, provides more certain costs, and allows for the vehicles to be maintained by commercial maintainers, which reduces the personnel burden on the NZDF.

8 The preferred option for the Business Case is to split delivery into s9(2)(f)(iv) tranches in line with the proposed Defence Capability Plan. I have requested funding for Tranche One in Budget 2025. This will procure 75 vehicles (30 Light Multi-Purpose Vehicles (12 utes, 15 minivans, and 3 vans) and 45 Medium Multi-Purpose Vehicles (off-road trucks)). s9(2)(j)

9 Should the GATS Project not receive approval the current fleet will continue to deteriorate s6(a)
The Unimogs are the oldest vehicles in the fleet at over 40 years old. s6(a)

10 This paper also seeks approval, subject to funding being approved through Budget 25, to undertake market engagement in accordance with Government Procurement Rules. This will inform a Project Implementation Business Case for Tranche One.

Background

11 The Garrison and Training Support (GATS) fleet consists of NZDF vehicles based in New Zealand. These vehicles support:

11.1 *Emergency response within New Zealand:* GATS vehicles support Humanitarian and Disaster Relief (HADR), search and rescue and other emergency response situations within New Zealand. The fleet also supports domestic and rural firefighting.

11.2 *Force generation:* The GATS fleet helps to raise, train, and sustain NZDF personnel through transporting people, equipment, and stores between and within camps, bases, and training areas.

11.3 *Airfield operations*: The replacement of the GATS Domestic Emergency Vehicles will enable fire response services at air bases. This will meet RNZAF Base Ohakea’s regulatory obligation to provide

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services for authorised civilian airline companies needing an alternate landing location.

12 The current fleet of vehicles – including off- and on-road trucks, vans, buses, utes, ambulances, and fire appliances - has far exceeded its expected life. The Unimog is the most urgent need for replacement in the fleet. These vehicles are now over 40 years old and are well over their useful life of type. s6(a) s9(2)(g)(i)

13 The decreasing availability of the fleet means that the NZDF needs to rely on more expensive operational vehicles to meet their domestic responsibilities. s6(a)

14 To address urgent operational needs, an initial phase of the GATS Project was approved in 2019 by Defence Chief Executives and funded through accumulated depreciation. This delivered the following 37 vehicles:

14.1 12 medical response vehicles

14.2 6 domestic fire appliances

14.3 11 rural fire appliances

14.4 6 mobile bulk aviation refuellers; and

14.5 2 airfield fire appliances and supporting infrastructure.

15 These vehicles are in the process of being introduced into service to support ongoing NZDF operations.

16 The draft Defence Capability Plan includes proposed investment in the second phase of the GATS Project as per Table 1 below, tranched over multiple years.

Table 1: Indicative timings of investment for the GATS Project as in the Defence Capability Plan 2025.

Financial Year	*Tranche*	*Items for delivery*
2025/26	Tranche 1	-Domestic Support Vehicles for Army training and immediate Humanitarian Aid and Disaster Relief.
s9(2)(f)(iv)		

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17 The attached Business Case proposes a preferred option for all the tranches in the above table and seeks approval to develop Project Implementation Business Cases for Tranches One and Two. Defence will return to Cabinet with further Business Cases for later tranches.

Garrison and Training Support Preferred Option

18 Defence undertook an options assessment process for the project, following Treasury's Better Business Case guidance. This assessment included vehicle types, infrastructure, communications, fleet size, and maintenance. The assessment also included the feasibility of the use of hybrid and fully elec ric technologies to reduce the carbon emissions of the GATS fleet. These options were assessed and used to form the shortlist below.

18.1 **Do Nothing ($0 Whole of Life Cost)**: This option would see the GATS fleet remain in its current degraded and degrading state.

18.2 **Do Minimum** s9(2)(f)(iv) **Whole of Life Cost)**: This option maintains the current GATS vehicle and equipment types, utilising an expanded centralisation and pooling system and reducing the overall size of the fleet. The new fleet would be commercial vehicles primarily sustained by commercial partners. Commercial communication equipment will be fitted where required. Garaging would be provided only as required. The investment would be phased, with investment prioritised based on capability need. Vehicles of a given type would be spread across tranches and potentially involve multiple contracts.

18.3 **Do More** s9(2)(f)(iv) **Whole of Life Cost)**: In addition to the *Do Minimum* option, this option would purchase additional vehicles to enhance resilience and availability to support NZDF domestic activities. Secure garaging would be provided for all vehicles, as well as commercial communications systems to allow communication between GATS vehicles and other commercial radio users. The project would be tranched so that all vehicles of a given type are purchased in a single contract

18.4 **Do Most** s9(2)(f)(iv) **Whole of Life Cost)**: This option would fully refresh the GATS fleet, with a combination of military and commercial vehicles. Where possible the GATS fleet would be replaced with military specific vehicles to align the operational and non-operational fleets. This option would replace not only the domestic emergency vehicles but also the other required vehicle types using an expanded centralisation and pooling system. Secure garaging and maintenance facilities would be provided, and the support solution would be provided mostly by the Army strategic partner and NZDF.

19 Defence officials assessed the shortlisted options against project investment objectives and critical success factors at a facilitated workshop. The outcome of this assessment can be found in Appendix A.

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20 The preferred option identified was ***Do Minimum.*** This option, as set out in the attached Business Case, will refresh the fleet by purchasing up to S9(2)(f)(iv) commercial vehicles which are sustained through commercial partners. This will reduce the cost per vehicle by 28% to 87% compared to a military specific vehicle, depending on the vehicle type. This option also provides the minimum necessary infrastructure. s6(a) It delivers a similar level of benefit to the Do More option at a lower cost. It is also affordable within the allocated funding in the proposed Defence Capability Plan.

Opportunities to collaborate with Australia

21 As the NZDF will not deploy these vehicles overseas, there is no need for interoperability with Australia. Seeking interoperability may increase costs, as the vehicles would need to be fit for both Australian and New Zealand domestic contexts.

22 Part of the rationale for procuring commercial vehicles is that commercial suppliers can maintain and support the fleet. The support networks for commercial vehicles near camps and bases may not be equivalent between New Zealand and Australia.

23 s6(b)(i)

24 While not necessarily interoperable with Australia, the vehicles delivered by the GATS project will be interoperable with other agencies domestically. Domestic interoperability contributes to value for money considerations. It is a strategic need if Government is to ensure New Zealand is well prepared for emergency response situations.

Implementation

25 Delivery of the Project will be phased by capability need. This will ensure vehicles are replaced in order of priority, keeping the GATS fleet available for use as required. The indicative approval dates for the remaining tranches of the GATS Project are shown in the table below.

Table 2: Indicative approval dates for the remainder of the GATS project.

Governance Milestones	*Indicative number of vehicles to be purchased*	*Date*
Tranche 1 approval to commit	75	*FY2025/26*
S9(2)(f)(iv)		

26 The Domestic Support Vehicle fleet will be replaced across all S9(2)(f)(iv) tranches. s9(2)(j)

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27 Table 3 shows the project governance milestones for Tranche One of the GATS Project.

Table 3: Governance milestones for Tranche One of the GATS Project.

Title of Governance Milestone – all vehicles in Tranche One fleet	*Projected milestone date*
Gain approval to proceed to seek solution proposals	*Q1 2025*
Agree preferred supplier(s)	*Q3 2025*
Gain approval to commit	*Q4 2025*

s9(2)(f)(iv)

Tranche One

28 Under the ***Do Minimum*** option this tranche would procure vehicles to support training, which the NZDF has identified as the area of greatest need, including to provide domestic Humanitarian Aid and Disaster Relief.

29 Tranche One will purchase around 75 vehicles, 30 Light Multi-Purpose Vehicles (12 utes, 15 minivans, and 3 vans) and 45 Medium Multi-Purpose Vehicles (Class 2 off-road trucks). This will ensure the NZDF has reliable and suitable vehicles throughout New Zealand to support HADR and to train personnel.

30 Tranche One will ensure that the Army Reserves are able to continue conducting their role while keeping personnel safe and not utilising higher cost operational vehicles for training tasks and support to camps and bases.

Financial Implications

31 The indicative capital costs for the preferred option for the remainder of the GATS Project are shown in table below.

Investment	Commitment year	Capital (DCP indication) ($m)
Tranche 1	2025/26	47.001

s9(2)(j)

32 The indicative capital and annual operating costs for Tranche One is shown in the below table. The net present whole-of-life-cost is s9(2)(f)(iv), s9(2)(f)(iv) A breakdown of the capital costs for Tranche One can be found in Appendix B.

Tranche One	NZ $ millions increase/(decrease)			
	2025/26	2026/27	2027/28	2028/29 & out years
Capital Expenditure	s9(2)(j)			
Operating Expenditure (including depreciation & capital charge)				

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

34 The indicative capital and annual operating costs for Tranche Two is shown in the below table. The net present whole-of-life-cost is s9(2)(f)(iv) discounted at Treasury-specified discount rate of 2%.

S9(2)(f)(iv), s9(2)(j)

Climate Implications of Policy Assessment

35 The current GATS fleet, including the Unimogs being replaced by this investment, are used in responses to climate driven disasters within New Zealand. Recently, the Unimog saved lives as part of the response to Cyclone Gabrielle.

Programme Assurance

36 The GATS Project is being delivered under Defence's Capability Management System, which has been developed in alignment with international best practice specifically to deliver defence capability. s6(a)

37 s6(a)

Other Implications

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

Use of External Resources

39 No external resources were engaged in the development of the policy advice in this Cabinet Paper and attached Business Case.

Consultation

40 This paper was prepared by the Ministry of Defence and the NZDF. It has been consulted with the National Emergency Management Agency, New Zealand Police, Department of Internal Affairs, the Public Service Commission, The Department of the Prime Minister and Cabinet, and The Treasury. Their feedback is reflected in this paper.

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Communications

41 Publicity will be coordinated by the Office of the Minister of Defence.

Proactive Release

42 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 the current Garrison and Training Support fleet has far exceeded its useful life, with the Unimogs being over 40 years old.

2 **note** this initial phase of the Garrison and Training Support Project was approved in 2019 under Defence Chief Executive delegation and funded through depreciation, and that those vehicles are currently being introduced into service and are supporting ongoing NZDF operations.

3 **note** this paper does not seek any financial commitment. I am presenting it now to ensure Tranche One of the GATS project meets the criteria for Budget 2025 initiatives.

4 **approve** the attached Garrison and Training Support Phase Two Single Stage Business Case.

5 **agree** that *Do Minimum* is the preferred option to deliver the Garrison and Training Support project. This option refreshes the fleet with up to S9(2)(f)(iv) commercial vehicles which will be used to support HADR response and to support training.

6 **note** that the preferred option of the first two tranches has indicative capital expenditure of S9(2)(f)(iv), s9(2)(j) in capital and a steady-state annual direct operating cost of s9(2)(j), S9(2)(f) (excluding depreciation and capital charge) with net present cost of the whole-of-life-cost of s9(2)(j), S9(2)(f)(iv) over 19-year appraisal period discounted at Treasury-specified rate of 2%.

7 **note** that I have sought $47.001 million in capital and s9(2)(j) in 4-year operating uplift through Budget 2025 for Tranche One. This investment is s gnalled in the Defence Capability Plan for Budget 2025.

8 **agree,** subject to funding being approved at Budget 25, to Defence undertaking market engagement and developing a Project Implementation Business cases for Tranche One of the Garrison and Training Support project.

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9 S9(2)(f)(iv) [redacted]

Authorised for lodgement

Hon Judith Collins KC

Minister of Defence

List of Appendices

Appendix One – Outcome of the options assessment

Appendix Two – Detailed breakdown of the capital costs for Tranche One

Appendix Three – Defence Vehicle Fleet Overview

Appendix Four – Garrison and Training Support Single Stage Business Case

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Appendix One: Outcome of the options assessment

Complete options analysis can be found in the Economic Case of the attached Single Stage Business Case

		Option One *Do Nothing*	*Option Two:* *Do Minimum*	*Option Three* *Do More*	*Option Four* *Do Most*
Investment Objectives	Reliability and Suitability	s9(2)(g)(i)			
	Resiliency				
	Safety				
Critical Success Factors	Strategic fit and org needs				
	Potential value for money				
	Provider capacity and capability				
	Potential affordability				
	Potential achievability				
Estimated WOLC		N/A	s9(2)(f)(iv)	s9(2)(f)(iv)	[redacted]
Result		**Option discounted**	**Preferred Option**	**Option Not Preferred**	**Option discounted**

Key:

Red	Does not meet	Option Discounted
Yellow	Partially meets	Option Not Preferred
Green	Fully meets	Preferred Option

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Appendix Two: Detailed breakdown of the capital costs for Tranche One.

Breakdown of Capital Costs for Tranche One of the GATS Project				
Particulars	**Price per unit ($M)**	**Units**	**Total Cost ($M)**	**Percentage of Total**
Trucks (Class 2)	s9(2)(f)(iv)	45	S9(2)(f)(iv)	
Personnel Pods - Trucks (Class 2)				
Utes 4x4		12		
Minibuses		15		
Standard Vans		3		
Project Management Team				
Initial Spares				
Introduction Into Service				
Contingency				
Total		75	47.00	

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Appendix Three - Defence Vehicle Fleet Overview

TE OPE KĀTUA O AOTEAROA DEFENCE FORCE

MANATŪ KAUPAPA WAONGA NEW ZEALAND MINISTRY OF DEFENCE

s9(2)(j)

Domestic Support Vehicles

Garrison and Training Support Project

Used throughout New Zealand for:

- Training
- Administrative tasks
- Immediate response to incidents within and around NZDF facilities
- Humanitarian Assistance and Disaster Relief

	Legacy Fleet	Future Fleet (Indicative vehicle types)
Domestic Support Vehicles	Light  Medium (Unimog)  Heavy 	Domestic Support Vehicles 
Domestic Emergency Response Vehicles	Domestic Fire Appliance  Rural Fire Appliance  Airfield Fire Appliance  Medical Response Vehicle 	Domestic Fire Appliance  Rural Fire Appliance  Airfield Fire Appliance  Medical Response Vehicle 

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TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

MANATŪ KAUPAPA WAONGA
NEW ZEALAND MINISTRY OF DEFENCE

NZDF ref: 2026-077 MoD ref: 97-2026

Minister of Defence For action by: 7 September 2026

BRIEFING: GARRISON AND TRAINING SUPPORT PROJECT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

PURPOSE This paper seeks approval from the Minister of Defence and Minister of Finance for the Garrison and Training Support Project Phase Two, Tranche One Approval to Deliver.

Recommended referrals

Minister of Finance For concurrence by 18 September 2026

Agency contact

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

Agency consultation

The following agencies were consulted on the Approval to Deliver and this briefing: The Treasury, Department of the Prime Minister and Cabinet, Ministry of Foreign Affairs and Trade, Government Chief Digital Officer, and Public Service Commission. Where comments were provided, these have been incorporated into this paper and the associated Approval to Deliver.

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Key points

- This Approval to Deliver seeks to draw down $44.177 million in capital s9(2)(j) to acquire 121 vehicles made up of, 61 Unimogs (type U5023), 36 Ford minibuses, 24 Mitsubishi utility vehicles, (utes) and their associated equipment for the Army Reserves and training units.[1] In addition, 45 of the Unimogs will be fitted with containerised seating pods known as Personnel Restraint Modules allowing safe transport on the back of them.
- This investment does not seek any new funding; it seeks to draw down funding set aside in a tagged contingency in Budget 25.[2]
- The New Zealand Defence Force's (NZDF) domestic vehicle fleet (~2,000 vehicles) is ageing, with declining serviceability and increasing maintenance constraints. Replacement is required to maintain domestic operations, training, and emergency response capability. Cabinet approved the Garrison and Training Support Project Single Stage Business Case in March 2025 [CAB-2025 – MIN-0092] and the preferred option and investment objectives remain extant. This investment is just one t anche of this Project.
- NZDF's current Unimogs are 40 years old, and their availability is declining. s6(a)
- Similarly, the current vehicles used to support training and logistical support to the Army Reserves do not meet modern safety standards when carrying personnel. Their availability, due to breakdowns, is also pu ting pressure on more expensive NZDF assets having to be used to meet these domestic tasks, s6(a)
- The Unimogs and containerised seating pods will be sourced from international manufacturers; the minibuses and uti ty vehicles will be sourced from New Zealand-based suppliers (Mitsubishi New Zealand and Ford New Zealand) with through-life support for all vehicles delivered by New Zealand-based suppliers.
- As well as an upfront capital spend of s9(2)(j) for the minibuses and utility vehicles there will also be an ongoing annual spend of around s9(2)(j) with New Zealand-based companies hat will sustain all vehicles and seating pods throughout their life of type. There will be a further one-off capital spend of s9(2)(j) with local New Zealand-based suppliers for the procurement and installation of commercial radios, truck bed covers and other ancillaries. The remaining s9(2)(j) of capital will purchase 61 Unimogs and cover other project related costs.
- This purchase has been achieved within the approved budget envelope and by taking a value for money approach. This has enabled an increase in the number of vehicles able to be purchased (from 75 to 121) and brought forward some investments that would have been made in later tranches (therefore reducing the numbers of vehicles required to be purchased in future and enabling their purchase at a lower cost than if they were purchased later). The purchase of the additional vehicles is in line with the preferred option identified in the Single Stage Business Case. The earlier purchase of these

[1] These units are responsible for undertaking domestic Humanitarian and Disaster Relief responses, including events like Cyclone Gabrielle.
[2] The tagged contingency allocated Capital of $47.001 million and operating of s9(2)(j) (at steady state) for this investment.

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vehicles delivers benefits for NZDF sooner, replacing more of the ageing fleet and reducing reliance on rental vehicles and their inherent costs.

- This value for money approach has also achieved savings in the procurement of the minibuses and utility vehicles with costs s6(b)(ii) lower respectively when compared with retail pricing.
- The total whole of life cost for this investment is s9(2)(j) which is consistent with the 2025 Defence Capability Plan.
- s9(2)(j)

T DAVIES
Air Marshal
Chief of Defence Force
Date: 11 Aug 26

SARAH MINSON
Deputy Secretary of Defence, Capability Delivery
Date: 11 Aug 26

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Recommendations

It is recommended that you:

1. **note** that in March 2025 Cabinet: **Noted**
   1.1. **approved** the GATS Project Phase Two: Single Stage Business Case;
   1.2. **agreed** in principle, subject to funding being approved at Budget 2025, to Defence undertaking market engagement and developing a Project Implementation Business case (now Approval to Deliver) for Tranche One of the GATS Project [CBB-2025-MIN-0092 refers];

2. **note** that in Budget 2025, Cabinet: **Noted**
   2.1. **agreed** to provide funding to purchase around 75 vehicles for the Army Reserve and training units;
   2.2. **agreed** to establish tagged operating and capital contingencies associated with Vote Defence Force portfolio up to the following amounts to provide for GATS Project Phase Two, Tranche One:

Defence Capability Plan – Garrison and Training Support Initiative	NZ $ millions increase / (decrease)			
	2025/26	2026/27	2027/28	2028/29 & outyears
Operating Contingency	s9(2)(j)			
Capital Contingency				
Total				

   2.3. **agreed** that the drawdown of these contingencies is subject to approval by the Minister of Finance and Minister of Defence of an Approval to Deliver;
   2.4. **agreed** that the expiry date for the above tagged operating and capital contingencies be 31 March 2026 [CAB-25-MIN-0126.19, Initiative No: 16220 refers];

3. **note** that the 2026 March Baseline Update rephased and extended the expiry date of the tagged contingencies identified in recommendation 2 above to 31 December 2026 and outlined below. This provided sufficient time to manage procurement delays: **Noted**

Defence Capability Plan – Garrison and Training Support	NZ $ millions increase / (decrease)			
	2025/26	2026/27	2027/28	2028/29 & outyears
Operating Contingency	s9(2)(j)			
Capital Contingency				
Total		44.141		

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

4. **approve** the GATS Project Phase Two, Tranche One Approval to Deliver, to procure a mixture of Unimogs with containerised seating pods, minibuses, and utility vehicles; **Yes/No**

5. **note** that the procurement described in recommendation 4 will enable NZDF to accelerate replacement of ageing vehicles within the scope of the previously approved Single Stage Business Case. Using the existing tagged contingency to procure additional vehicles now will avoid future cost escalation, reduce reliance on rental vehicles, and deliver capability benefits sooner; **Noted**

6. **agree** that, as the Approval to Deliver described in recommendation 2 above has been satisfactorily completed, the procurement described in recommendation 4 can now proceed; **Yes/No**

7. **note** that rephasing of the tagged capital contingency in recommendations 2 and 3 above, is required to align the timing of funding with the updated procurement requirements; **Noted**

8. **approve** the following adjustments to the tagged capital contingency: **Yes/No**

Defence Capability Plan – Garrison and Training Support	NZ $ millions increase / (decrease)			
	2025/26	2026/27	2027/28	2028/29
Operating Contingency	s9(2)(j)			
Capital Contingency				
Proposed Rephasing				
Capital Contingency (Rephased)				
Total				

9. **approve** the following changes to appropriations to provide for the decision in recommendation 4 above, with a corresponding impact on the operating balance and net core Crown debt: **Yes/No**

Vote Defence Force Minister of Defence	NZ $ millions increase / (decrease)				
	2026/27	2027/28	2028/29	2029/30	2030/31 & outyears
Multi-Category Expenses and Capital Expenditure: Defence Force Capabilities Prepared for Joint Operations and Other Tasks Multi-	s9(2)(j)				

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Category Appropriation (MCA) Departmental Output Expenses: Army Capabilities Prepared for Joint Operations and Other Tasks (funded by revenue Crown)	s9(2)(j)
New Zealand Defence Force – Capital Injection	
Total	

10. **agree** that the proposed changes to appropriations and departmental capital injections for 2026/27 in recommendation 9 above be included in the 2026/27 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply; **Yes/No**

11. **agree** that the operating and capital expenditure incurred under recommendation 9 above be charged against the tagged operating and capital contingencies described in recommendation 8 above; **Yes/No**

12. **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 $ millions increase / (decrease)				
	2026/27	2027/28	2028/29	2029/30	2030/31 & outyears
Departmental Capital Expenditure: New Zealand Defence Force Capital Expenditure PLA	s9(2)(j)				

13. **authorise** the Secretary of Defence to commit and approve expenditure of public money up to the amount of $44.177 million capital costs for this investment; **Yes/No**

14. **approve** the following changes to appropriations to provide for the Secretary of Defence to provide for decisions in recommendation 4 above: **Yes/No**

Vote Defence Minister of Defence	NZ $ millions increase / (decrease)				
	2026/27	2027/28	2028/29	2029/30	2030/31 & outyears

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Multi-Category Appropriation: Defence Capabilities MCA Non-Departmental Capital Expenditure Defence Capability Delivery	s9(2)(j)

15. **note** that the changes to appropriations in recommendation 14 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**

16. **agree** that the proposed changes to appropriations for 2026/27 in recommendations 9 and 14 above be included in the 2026/27 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply; **Yes/No**

17. **note** that, following the adjustments detailed in recommendation 9 above, the remaining balances and indicative phasing of the tagged operating and capital contingencies described in recommendation 8 above will be: **Noted**

Defence Capability Plan – Garrison and Training Support	NZ $ millions increase / (decrease)			
	2026/27	2027/28	2028/29	2029/30 & outyears
Operating Contingency	s9(2)(j)			
Capital Contingency				
Total				

18. **agree** to close the tagged operating and capital contingencies and return the unused funding to the Crown. **Yes/No**

HON PAUL GOLDSMITH
Minister of Defence

Date:

HON NICOLA WILLIS
Minister of Finance

Date:

List of Appendices:

A. GATS Project Phase Two, Tranche One Approval to Deliver
B. Defence Capability Plan Considerations

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Purpose of Report

1. This paper seeks approval of the Garrison and Training Support Project Phase Two, Tranche One Approval to Deliver from the Minister of Defence and the Minister of Finance to purchase Unimogs, minibuses and utility vehicles for the NZDF's use within New Zealand.
2. It also seeks approval to draw down $44.177 million of capital injection and s9(2)(j) of annual steady-state operating uplift from the tagged contingencies established as part of Budget 25 [CAB-25-MIN-0126.19, Initiative No: 16220 refers].

Background

3. This investment supports the delivery of the 2025 Defence Capability Plan. Alignment with the four key Defence Capability Plan considerations is outlined at Append x B.
4. Cabinet authorised the Minister of Defence and the Minister of Finance to jointly drawdown the tagged operating and capital contingencies, subject to their satisfaction with the Approval to Deliver for Phase Two, Tranche One (attached at Appendix A) [CAB-25-MIN-0126.19, Initiative No: 16220 refers].
5. The current Garrison and Training Support vehicle fleet supports domestic operations, training, emergency response and logistics activities across New Zealand. This investment supports the replacement of ageing domestic support vehicles that are used throughout New Zealand to enable training, perform administrative tasks, transport personnel including Army Reserves, and to support humanitarian and disaster relief response.
6. The current domestic vehicle fleet has far exceeded its expected life, and the number of vehicles is rapidly decreasing due to age s6(a) s6(a)
7. The Project seeks to replace ageing and obsolete NZDF vehicles (from specialist emergency response trucks to transport vehicles) across multiple phases. Phase One, approved in 2019, delivered 37 vehicles which have been successfully introduced into service. S9(2)(f)(iv) This Approval to Deliver refers to Tranche One.
8. The Single Stage Business Case for Phase Two was approved by Cabinet in March 2025 [CAB-25-MIN-0092]. "Do Minimum" was selected as the preferred option. This option would procure vehicles for areas of greatest need for NZDF. This option will not deliver like-for-like replacement of all vehicle types but rather seeks to consolidate and streamline the fleet.

Domestic Support Vehicles underpin the day-to-day operations of the NZDF

9. Domestic Support Vehicles (those being purchased in this investment) enable the movement of personnel and equipment, support training, and contribute to domestic emergency response. Current vehicles are ageing, s6(a)
10. Replacement vehicles will improve safety, availability, and cost efficiency while supporting NZDF's role in humanitarian and disaster relief.

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

11. This investment, and all Project investments, will replace (where possible) vehicles in the fleet with commercially available and supportable vehicles, while consolidating a complex fleet. In doing so, costs and Defence personnel time maintaining vehicles will be reduced.
12. Phase Two, Tranche One will deliver a total of 121 vehicles, specifically 61 Unimogs, 36 minibuses and 24 utility vehicles (utes) along with associated equipment, including the 45 containerised seating pods.
13. Following a competitive open tender process the Unimogs will be supplied by Daimler Benz AG based in Europe and the containerised seating pods will be procured through Royal Wolf (an Australian Defence Force supplier).
14. For the minibuses and utility vehicle procurement the Project has leveraged the buying power of the All of Government Panel of vehicle suppliers and as a result has obtained cost savings of s9(2)(b)(ii) for the utility vehicles and s9(2)(b)(ii) for the minibuses when compared with pricing direct from commercial providers. The utility vehicles will be supplied by Mitsubishi Motors New Zealand and the minibuses by Ford New Zealand.
15. All vehicle types included in this investment will be maintained by New Zealand-based companies.
16. The primary investment in this Approval to Deliver, the Unimog, are vehicles that support the training of Army personnel along with delivering critical humanitarian and disaster relief support across New Zealand.
17. It is essential that the NZDF maintains a ready fleet which is regionally positioned to aid in humanitarian and disaster relief domestic operations. Having and maintaining Unimog capability has enabled the NZDF to respo d recently to:
    17.1. s6(a) [redacted]
    17.2. A significant weather event on the West Coast. Unimog capability was requested by Regional Emergency Management to access a community with severed road access due to a slip. The Unimog was the only vehicle able to safely evacuate the area.
    17.3. Transport medical personnel to an isolated aged care facility with no access due to floodwaters. The Unimog vehicle was identified as the most capable to safely access the terrain.
18. These examples demonstrate the wide utility the Unimog fleet provides to New Zealand.

Vehicles for this investment will be supported by New Zealand suppliers

19. On top of the one-off capital investment of s9(2)(j) with two New Zealand-based companies, to purchase the minibuses and utility vehicles this investment will result in around s9(2)(j) of ongoing annual spend with New Zealand businesses to deliver through-life support. In addition there will be a s9(2)(j) one-off capital spend to purchase associated accessories for the vehicles.

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Implementation

Key activities/milestones	Timeframe / Estimated date[3]
Utility Vehicles and Minibuses	
Gain approval to commit	September 2026
Orders Placed	S9(2)(f)(iv)
Delivery Period	
Vehicles in Service	
Unimog U5023 Medium Truck	
Gain approval to commit	
Contract Signed	
Delivery Period	
Vehicles in Service	
Personnel Restraint Module (PRM)	
Gain approval to commit	
Contract Signature	
Delivery Period	

20. For Governance Milestones refer to Tables 14,15 and 16 in the Approval to Deliver Document

Financial Implications

21. The steady state total operating cost including depreciation and capital charge is s9(2)(j) These costs, summarised in the table below, will cover the through-life support and operational costs (fuel etc).

Operating Costs (Unescalated)	NZ $ millions				
	2026/27	2027/28	2028/29	2029/30	2030/31 & outyears
Unimog U5023 Medium Trucks	s9(2)(j)				
Ford Sport Bus Minibuses					
Mitsubishi Triton Utility Vehicles					
Insurance					
Vehicle Operating Costs					
Non-Vehicle Operating Costs					
Depreciation					
Capital Charge					
Total Operating Costs					
Less Existing Operating Costs					
Uplift in Operating Baseline					
Tagged Operating Contingency					
Residual Tagged Operating Contingency					

[3] s9(2)(j)

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

22. The below table summarises the capital costs, including the purchase of vehicles and ancillary equipment, project management, and introduction into service costs ($44.177 million).

		NZ $ millions	
Capital Costs Escalated	Units	Unit Costs	Total Cost
Unimog U5023 Medium Truck	s9(2)(j)		
Personnel Pods – for the Trucks			
Winches			
Mitsubishi Triton Utility Vehicles			
Ford Sport Bus Minibuses			
Total Vehicle Costs			
Project Management Costs			
Introduction Into Service			
Contingency			
Total Non-Vehicle Costs			
Total			**44.177**
Tagged Capital Contingency			47.001
Residual Tagged Capital Contingency			**2.824**

23. This will be funded from the tagged contingencies established at Budget 2025, [CAB-25-MIN-0126.19, Initiative No: 16220 refers], rephased at MBU, which allocated funding for GATS Project Phase Two, Tranche One as below:

Defence Capability Plan – Garrison and Training Support Vehicles	NZ $ millions increase / (decrease)			
	2025/26	2026/27	2027/28	2028/29 & outyears
Operating Contingency	s9(2)(j)			
Capital Contingency				
Total		44.141		

24. This paper recommends that the tagged contingencies be re-phased as described in the table below to align with the latest forecast for GATS Phase Two, Tranche One expenditure:

Defence Capability Plan – Garrison and Training Support	NZ $ millions increase / (decrease)			
	2025/26	2026/27	2027/28	2028/29
Operating Contingency	s9(2)(j)			
Capital Contingency				
Proposed Rephasing				
Capital Contingency (Rephased)				
Total				

25. We recommend you agree to close the tagged contingency and return the unused funding to the Crown.

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Risks

26. Key risks and their mitigations are listed below:

Main Risk	Comment and Mitigations
Stakeholders changing requirements	S9(2)(f)(iv)
Resourcing the project	S9(2)(f)(iv)
Cost forecasts change	s9(2)(b)(ii), s9(2)(j)
Shipping disruption	s6(a), s9(2)(j)
Vehicles are not fit-for-purpose	s9(2)(b)(ii), s9(2)(j)
Through-life support concerns	s9(2)(j)

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Communications

27. Any public communications relating to this investment will be coordinated with the Office of the Minister of Defence.

Proactive Release

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

Note on the use of Artificial Intelligence (AI)

29. Some of the content in this document was developed with the assistance of Microsoft Co-pilot. Co-pilot was used for the editing and proofing of some sections of this document.

30. The authors have reviewed and verified all factual content and references to ensure accuracy and uphold quality standards.

Next Steps

31. On approval of this paper, the Project will commence delivery of Phase Two, Tranche One, contracts will be finalised, funding drawn down, and procurement progressed for vehicles and associated equipment.

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Appendix A: Approval to Deliver

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GARRISON AND TRAINING SUPPORT PHASE TWO, TRANCHE ONE APPROVAL TO DELIVER

Appendix B: Defence Capability Plan Considerations

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

- s6(a)

  New Zealand has different requirements for these vehicles, as they are purely for domestic use. Commercial Off-The-Shelf solutions are available and the most suitable given NZDF's needs.

s6(a)

Can we partner with industry to deliver the capability differently?

- The minibuses and utility vehicles will be sourced through New Zealand-based companies, Ford New Zealand and Mitsubishi New Zealand respectively.
- Defence will source the Unimogs through Daimler Benz AG, based in Europe. Defence will utilise a New Zealand-based company, Pengelly's Global Logistics, for vehicle importation and these vehicles will be maintained and supported in New Zealand by s9(2)(b)(ii) through their life of type.
- The seating pods are being sourced from s9(2)(b)(ii) based in Australia and will be imported directly by the Manufacturer.
- A s9(2)(f)(iv) million per annum spend with local companies will sustain all of the vehicles and seating pods throughout their life of type. In addition, a one off spend of s9(2)(f)(iv) million will be spent with New Zealand companies to purchase radios, truck bed covers and other accessories for the vehicles.

What is the minimum viable capability needed (including to limit bespoke requirements)?

- The Project is procuring the minimum viable capability needed to enable the NZDF to continue to carry out its domestic tasks of moving personnel and cargo around the country and being able to respond to humanitarian and disaster relief events.
- These vehicles will be supplied as standard, commercially available models, with only seating modifications made and will be procured through commercial suppliers.

What is the most cost effective and durable option?

- The Project will utilise commercial off-the-shelf vehicles, with minimal modifications. This has been determined to be the most cost-efficient manner to deliver NZDF benefits.
- The utility vehicles and minibuses to be procured through this Approval To Deliver have achieved cost savings of s9(2)(j) respectively from retail pricing when procured through the All of Government Panel.

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Future investments

- The approach to the domestic vehicle fleet acquisition is to deliver capability over time and to spread the project cost over multiple Budget years. This Phase of the Project is currently made up of s9(2)(j) tranches with a total Whole of Life Cost for all tranches of s9(2)(f)(iv)
- s9(2)(j)
- s9(2)(j) These indicative investments are included in the Defence Capability Plan 2025.

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