



Defence Capability Plan





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From the Minister of Defence

This 2014 Defence Capability Plan details the next steps for delivering a more integrated Defence Force, in which all parts of the New Zealand Defence Force (NZDF) can be brought together on operations in support of the Government's defence goals.

This is the second Defence Capability Plan released by this Government. It is the second Capability Plan to follow the *Defence White Paper 2010*, which comprehensively stated the Government's defence policy goals and matched these to the future strategic environment. While New Zealand's fiscal environment has been challenging, significant progress has been made. Decisions to purchase over \$1 billion of new naval helicopters, army vehicles, a modern Battle Training Facility for our Special Forces, a pilot training package, and an upgrade of the weapons and sensor systems of the ANZAC frigates collectively represent a significant commitment to supporting New Zealand's defence and security interests.

This 2014 Defence Capability Plan reflects this progress. It illustrates how the Government's decisions on Defence capability development are guided, and it resets the priorities for the coming 10 years. In doing so, it works alongside other key documents to give the NZDF ongoing planning support. Opportunities for industry are also signalled, particularly in upgrading and replacing the NZDF's infrastructure where significant new investment is planned.

Some of the new capability projects include:

- a Maritime Sustainment Capability to replace HMNZS *Endeavour*;
- continuing the development of soldier combat capability by replacing the Steyr individual weapon with a more modern individual weapon;
- vehicles to enhance the mobility of our Special Operations Forces;
- a Littoral Operations Support Capability to replace HMNZ ships *Manawanui*, *Tui*, and *Resolution*; and
- enhanced firepower, manoeuvre, and protection for ground forces as part of a refresh of the Light Armoured Vehicle fleet.

A key feature of the capability plans produced by this Government is the total capability effect they seek to deliver. This Plan is not merely a list of projects. The focus of the Defence Capability Plan 2011 was on developing a Joint Amphibious Task Force by 2015 that was capable of working independently in the South Pacific or as part of a larger coalition further afield. While the joint approach remains a focus, the emphasis in this Plan further enhances the NZDF proficiency at joint operations and growing its combat, combat support and combat service support capabilities.

The period following 2020 will be a challenging one. Work has commenced on options to replace our C-130H and Boeing 757 fleets in the early 2020s. This will require a significant investment. The P-3K2 Orion maritime surveillance aircraft and the ANZAC frigates will also reach the end of their service life in the 2020s.

Defence funding has increased, however, and stringent management of that investment is required. Defence's ability to manage fiscal pressures requires prudent decision-making now, while developing capability for the future.

This document's predecessor, the *Defence Capability Plan 2011* gave assurance to the public that the NZDF was able to undertake the tasks required of it by the Government within a difficult fiscal environment. Budget 2014 has reaffirmed the Government's commitment to delivering the defence capabilities signalled in the *Defence White Paper 2010*.



Hon Dr Jonathan Coleman
Minister of Defence



From the Chief of Defence Force and the Secretary of Defence

The NZDF is a combat capable force that must be credibly trained, equipped, and sustained to be able to conduct the tasks required of it by the Government.

Experience tells us that it must be able to project and sustain forces for considerable periods over vast distances – a force that is in all respects expeditionary. But it is not enough just to arrive. The NZDF must also have reliable, sustainable and high quality equipment that is both effective and safe.

This means that decisions about defence capability are some of the most significant a government can make. These decisions have to produce a credible military effect, both now and in the future. We will likely need to be able to bring a military effect not only to the traditional sea, land and air domains but potentially into new information and cyber environments. This will involve developing new ways of addressing conflict, new processes and new forces.

The Government's capability decisions also send strong signals to our international partners, affecting our international profile. Many involve large scale capital acquisitions and can have an impact on the wider government budget. Balancing these factors means that decisions on capability must be thoroughly planned and well executed.

Military capability cannot be delivered without the support of committed and highly trained personnel. Long-term investment in people is an important part of any capability plan. Just as we recognise that new platforms take many years to acquire and enter into service, similarly we know it takes many years to develop a sailor, soldier, or airman or airwoman with the skills, ethos and leadership to fight and win. We know also that our people need to be well supported by excellent processes, career development, training and organisations, within and outside the NZDF, that allow them to deploy with confidence and commitment. This Plan also addresses the ethos, organisational culture and infrastructure that will allow this to occur.

This Plan turns the Government's Defence Policy as articulated in the White Paper 2010 into real deliverables. The Defence Capability Plan 2014 is militarily credible, affordable and achievable and provides the basis for the NZDF being 'A Force for New Zealand'. While the job of building an organisation like the NZDF and its contributing services is an enduring one, this Plan is focused in detail on the coming decade with a broader view to 2035, so as to deliver new levels of capability and new effects tailored to the expected environment. This will ensure we are ready when needed with our people well trained, well equipped and the business of defence engineered appropriately for the future.

In order to successfully deliver on this Plan, the NZDF and the Ministry of Defence need to work together on:

- understanding the strategic environment, and the implications of this for capability development;
- carefully assessing the full costs of delivering this Plan, which will include considering more than just the upfront cost of specific platforms, but also their long term operating costs; and



- effectively managing the acquisition and introduction into service of various platforms and equipment.

The costs associated with maintaining a range of military capabilities are high. That is why, since the last Capability Plan was published, Defence has undertaken a major exercise to cost all of the elements needed to deliver on the policies set out in the White Paper. This work produced a clear picture of what Defence outputs can be delivered within a given level of funding.

But the conclusion of this work does not signal an end to the need for Defence to continually improve the affordability of the capabilities it is seeking to develop. Our approach to capability management will continue to be characterised by appropriate governance, careful prioritisation, prudent financial management and active risk management.

The projects in this Plan still in the development phase have not yet been approved by the Government. The assumptions and policy rationales that underpin them will be subject to rigorous scrutiny, not only within Defence as part of a sound Capability Management Framework, but by other Government agencies.

This reflects the guiding principle that, with any Defence project, the aim will always be to achieve capability effects, rather than to acquire a particular platform or piece of equipment.

The NZDF prides itself on its agility, ingenuity, reliability and versatility in responding to crisis in the interests of New Zealand and its people. It is the only agency of state that maintains disciplined forces available at short notice and that operates large-scale and integrated fleets of vehicles, ships, and aircraft. It is therefore able to use its military forces to undertake or support a range of tasks. The high-quality of its people and its military equipment make the NZDF a disciplined national asset capable of delivering the tasks required by Government. The capability programme set out in this Plan ensures this will remain the case.



Helene Quilter
Secretary of Defence



T.J. Keating MNZM
Lieutenant General
Chief of Defence Force



Defence Policy

Defence capabilities cannot be developed in isolation from the environment within which they are likely to be employed. This section describes New Zealand's Defence policy interests and the strategic environment, as they are articulated in the current White Paper.

The next White Paper, notionally scheduled for release in 2015, will consider changes in the strategic environment that have occurred since the publication of the 2010 White Paper.

SECURITY INTERESTS AND THE ROLE OF DEFENCE

The White Paper confirmed that Defence, acting in a lead or supporting role, contributes to the following national security interests:

- a safe and secure New Zealand;
- a rules-based order which respects national sovereignty;
- a network of strong international linkages; and
- a sound global economy underpinned by open trade routes.

STRATEGIC ENVIRONMENT

The White Paper noted that while New Zealand is unlikely to face a direct military threat, other significant security events resulting from issues such as pressure on maritime resources and illegal migration are possible.

The White Paper's central theme was the increasingly uncertain nature of the international strategic environment. The outlook for the South Pacific region is one of fragility. Countries in that region are struggling with the negative consequences of globalisation alongside governance, social and economic challenges.

The emergence of new centres of economic strength across Asia, Latin America and the Middle East have implications for the distribution of military power as these economies are able to devote greater resources to military spending commensurate with their size and influence.

The rules-based international order is coming under increasing pressure. International institutions are finding it difficult to forge consensus on a range of trans-boundary problems. Traditional state authority continues to be challenged by terrorism, and the growing threat of cyber attacks. The military advantage enjoyed by New Zealand's partners is narrowing with the emergence of new technologies and could be further challenged by the proliferation of weapons of mass destruction and associated technologies.

The trends above mean that the Government will continue to expect the NZDF to play a key role in protecting and advancing New Zealand's national interests.

ROLE OF THE NZDF

The core task of the NZDF is to conduct military operations. The NZDF also continues to undertake or support a range of other tasks including maritime resource protection, humanitarian assistance and disaster relief, and search and rescue. Specifically, the NZDF's key tasks are:

- defending New Zealand's sovereignty;





- discharging our obligations as an effective ally of Australia;
- contributing to and, where necessary, leading peace and security operations in the South Pacific;
- making a credible contribution in support of peace and security in the Asia-Pacific region;
- protecting New Zealand's wider interests by contributing to international peace and security, and the international rule of law;
- contributing to whole of Government efforts to monitor the international strategic environment; and
- being prepared to respond to sudden shifts and other disjunctions in the strategic environment.

DEVELOPMENT OF MILITARY CAPABILITY

In order for the NZDF to effectively undertake the tasks set out above, military capability must be developed taking into consideration where it will need to operate, how often, and for how long.

Meeting the Government's security objectives in New Zealand's maritime zone and the South Pacific is the starting point for selecting New Zealand's military capabilities.

The importance of maintaining the NZDF's combat capabilities cannot be underestimated. New Zealand's ability to operate in higher intensity environments is valued by our key security partners, enables a contribution to international peace and security, and in turn demonstrates our credibility.

We have an ongoing need to deploy forces across large distances into potentially hostile, unstable environments and sustain them while they conduct operations. Recent operations have reinforced the importance of the ability to sustain forces on an enduring basis for extended periods.

NZDF assets will be used for tasks such as maritime surveillance, the evacuation of New Zealand nationals, and/or humanitarian assistance/disaster relief, sometimes concurrently. The circumstances in which New Zealand would have to lead such operations or undertake them alone will not be frequent, but our ability to do so will be at a premium when that occurs.

Developing capabilities for a range of possible operations in the immediate region will also provide options for making a contribution to stability in Asia and further afield.

CAPABILITY SETS

Capability Sets are the combination of mutually reinforcing military capabilities that will enable the NZDF to deliver on its key tasks as set out in the White Paper. The following Capability Sets were articulated in both the White Paper and the 2011 Capability Plan:

- Capabilities able to fulfil a **credible combat** role in support of our sovereignty, our obligations to Australia, and in other operations as determined by the Government;
- **Strategic projection and sustainment capacity** to get the force where it is needed and sustain it once there;
- **Deployable ground forces** – suitably equipped and in sufficient numbers – including supporting elements.

These sets are supported by modern Command, Control, Computers and Communications systems supported by Network-Enabled Intelligence, Surveillance and Reconnaissance capabilities.

An individual component of a Capability Set may deploy on its own. It is more likely, however, that for most deployments, be they combat or peacekeeping operations, components from multiple Capability Sets will be deployed together as an expeditionary force.

Each Set is described in further detail in Section 4.



Being A Force for New Zealand

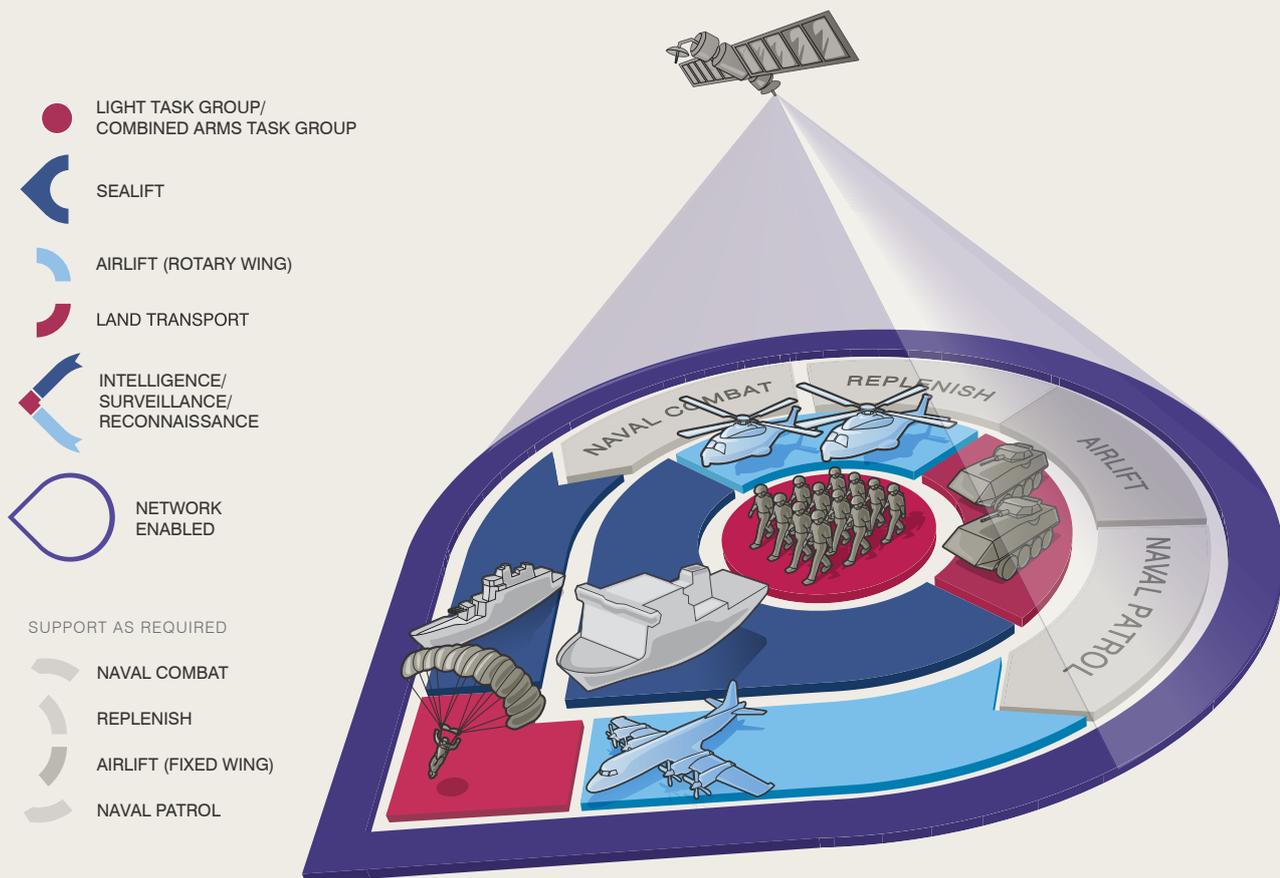
While focused primarily on the coming 10 years, achieving the capability objectives in this Plan will ensure the NZDF remains a Force for New Zealand beyond this immediate horizon.

The NZDF's Future 35 strategy sets out how the Defence Force will deliver operationally out to 2035. Aligned to and informed by the Government's Defence policy goals set out in the White Paper, and summarised in the first section of this Plan, the path to 2035 is defined by a series of strategic milestones:

- Joint Taskforce Capability by 2015
- Enhanced Combat Capability by 2020
- Integrated Defence Force by 2035







NZDF 2015 - THE JOINT TASK FORCE

The focus of capability development to 2015 has been on orienting Navy, Army and Air Force units and capabilities into a Joint Taskforce (JTF). “Jointness” remains central to this Plan, expressing the collective sum of the deployable NZDF capabilities formed to meet the requirements of a specific mission or task. The JTF capitalises on the unique capabilities of each force element and provides the flexibility to tailor the size and makeup of an expeditionary military force to accomplish specific tasks in peace, crisis and war.

A JTF is formed, undertakes a mission to achieve defined objectives, and then is repatriated and disestablished. The adoption of the JTF does not preclude the employment of discrete capabilities for regional or global operations. It is intended to serve as a vehicle to ensure greater interoperability within the NZDF, while also providing a model for the formation of cohesive Task Forces. But the JTF is not only a means by which to achieve military effects. It will also better enable other government agencies to undertake a range of New Zealand all-of-government tasks.

NZDF 2020 – ENHANCED COMBAT CAPABILITY

Realising the capability intentions set out in this Plan will mean that by 2020 the NZDF will have enhanced its combat and combat support capabilities on maritime, land, air and joint warfare operations, including the capabilities in the evolving information environment. The NZDF will also have enhanced its ability to:

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

The NZDF will remain an expeditionary force able to project and operate on its own or as part of a coalition. By 2020 the NZDF will have further developed its Command, Control, Computers and Communications/Intelligence Reconnaissance and Surveillance (C4ISR) and littoral capability. These capabilities will enhance its ability to conduct reconnaissance and environmental assessment. Combined



with a new Maritime Sustainment Capability, and an upgraded Air Mobility Capability, forces will be better able to be deployed and sustained in the South Pacific.

As 2025 approaches, and the security context becomes more complex, links between military and civil agencies will need to be strengthened. The new joint force, supported by the capabilities set out in this Plan will better integrate civil and military capabilities to allow for an effective all-of-government response to situations that arise.

NZDF 2035 - AN INTEGRATED DEFENCE FORCE TAILORED FOR FUTURE SECURITY CHALLENGES

Founded on the capabilities developed in the mid-2020s, the NZDF of 2035 will continue to demonstrate expertise in the Maritime, Land, Air and Information domains delivering operational effects in innovative ways.

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

UNDERPINNING 2015-2035

If the intentions in this Plan are to be fully realised, the people of the NZDF will require real and enduring investment. The NZDF will continue to need:

- A workforce with the correct number and mix of military and civil personnel that are flexible, adaptable, innovative and well trained;
- The service cultures to remain strong and supportive, producing individuals who are specialists in their respective areas; and
- Its joint approach to continue to strengthen.

This will be supported by leadership, investment in training and education, and improvement in workplace conditions that encourage the recruitment and retention of high calibre people – delivering a Force for New Zealand that the New Zealand public is proud of and values highly.





Fiscal Context

New Zealand’s fiscal outlook is improving, but meeting the demand for continuous improvement in the delivery of public services, and the continual monitoring of defence affordability, remain important objectives. Within Defence, considerable progress has been made as part of the NZDF’s Savings and Redistribution Programme. Savings have been redistributed from the middle and back of the organisation into front line capabilities, such as the new Medium/Heavy Operational Vehicles and Maritime Helicopters.

However fiscal pressures continue to pose challenges for the Government, particularly with respect to Defence capability development.

The White Paper forecast the need for additional operating and capital expenditure if the NZDF is to deliver the force structure and equipment it needs to carry out its principal tasks. The Defence Savings and Redistribution Programme made this requirement more affordable, but did not eliminate it. In light of this, Defence has undertaken extensive work as part of the Defence Mid-Point Rebalancing Review (DMRR) to balance Defence funding, capability and policy.

The DMRR involved the costing of all elements of Defence capability required to deliver on the policy expectations in the White Paper. This resulted in a picture of what outputs can be delivered within a specified level of funding. Ultimately this work has demonstrated that a coherent Defence Force, with a range of capabilities enabling it to undertake its key tasks, remains affordable.

CONTINUALLY IMPROVING DEFENCE AFFORDABILITY

The conclusion of the DMRR process does not signal an end to the need for Defence to focus on savings and efficiencies.

In order to ensure the force structure outlined in the White Paper can be delivered, and to maintain a culture of continuous improvement, ongoing initiatives to redistribute money to front line capabilities are required.

Defence will also maintain the affordability of platforms and equipment by continuing its practice of adopting a range of approaches to capability development. These include:

- spiral development, which allows for the purchase of modest capabilities that provides flexibility for enhancements/upgrades in the future;
- purchasing “off the shelf” capabilities;
- taking a coherent “portfolio” approach to the management of individual projects; and
- exploring innovative ownership options.

The impact of operating expenditure, and the ability of the NZDF to live within its means, will continue to be considered as part of any capital investment in capability.

CAPITAL ASSET MANAGEMENT REGIME

Alongside the approaches described above, each major capital acquisition will continue to be guided by the Government’s Capital Asset Management (CAM) regime and be subject to the application of the Treasury’s Better Business Case principles. These frameworks support projects by providing detailed and rigorous testing of their underlying assumptions and conclusions. These are further tested by Defence’s own capability development processes under the Capability Management Framework and the principal governance body, the Capability Management Board.

The Medium/Heavy Operational Vehicles, Maritime Helicopters, and the new Pilot Training Capability were the first major projects to be developed using CAM and the Better Business Case model.



Defence Capability Priorities

The Policy Section of this document refers to the Capability Sets as the combinations of specific military capabilities that will enable the NZDF to deliver on its key tasks as set out in the White Paper.

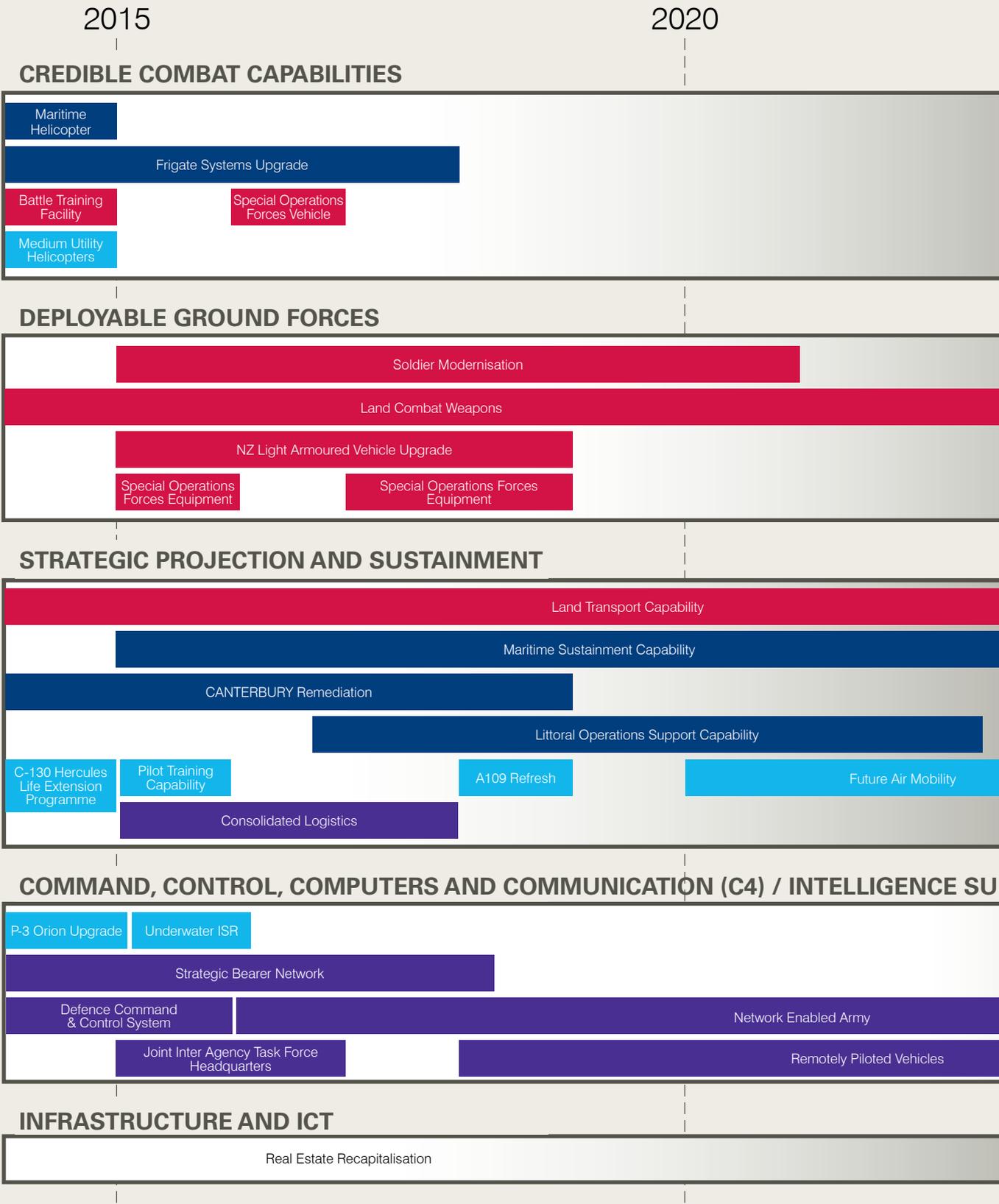
The following paragraphs describe these Sets in further detail, laying the groundwork for the subsequent updates on the progress of current Defence capability projects. This section also outlines prospective or developing capability projects.

The projects in this Plan categorised as “Prospective” or “Under Development” are unapproved at the time of publication.





Capability Timeline



2025



Priorities are grouped in terms of the capability sets described in Section 4. Within each capability set, emphasis will be placed on developing, or acquiring, capabilities in the following areas:

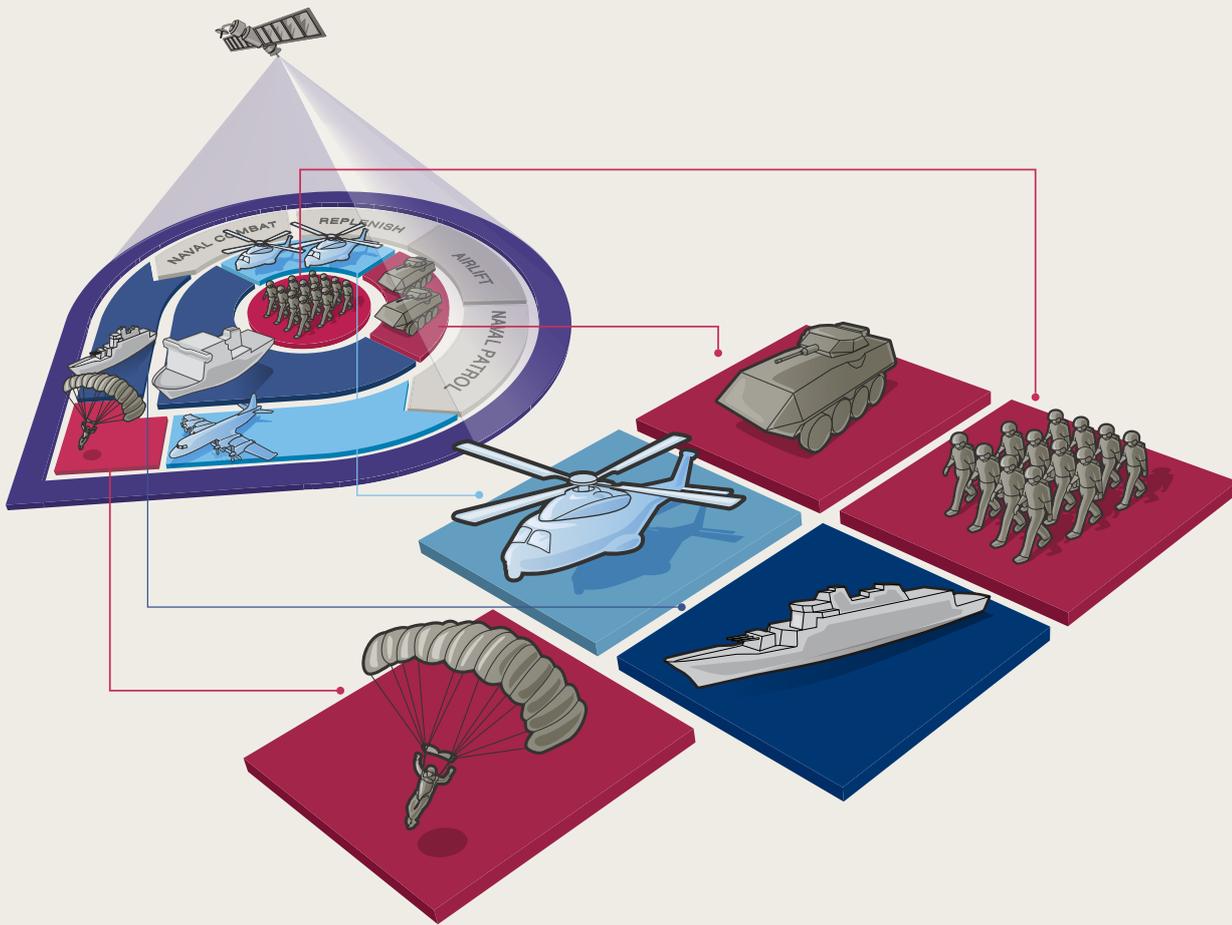
- People and skills
- Equipment and platforms
- Infrastructure

Programmes comprise a number of individual projects designed to contribute to the achievement of an overall capability effect. It is not the intention of this document to detail the specific individual projects within a programme.

**INTEGRATED
DEFENCE
FORCE 2035**

Key:

- Joint
- Navy
- Army
- Air Force



CREDIBLE COMBAT CAPABILITIES

The importance of the combat capabilities of the NZDF cannot be understated. It is these capabilities which underpin the overall utility, depth, and effectiveness of the NZDF, and thus its value to the Government and our partners. The NZDF must have the combination of personnel, equipment, training, and experience of working with other forces to allow the Government to make a credible valued contribution when it needs or wishes to do so, including in higher intensity environments.

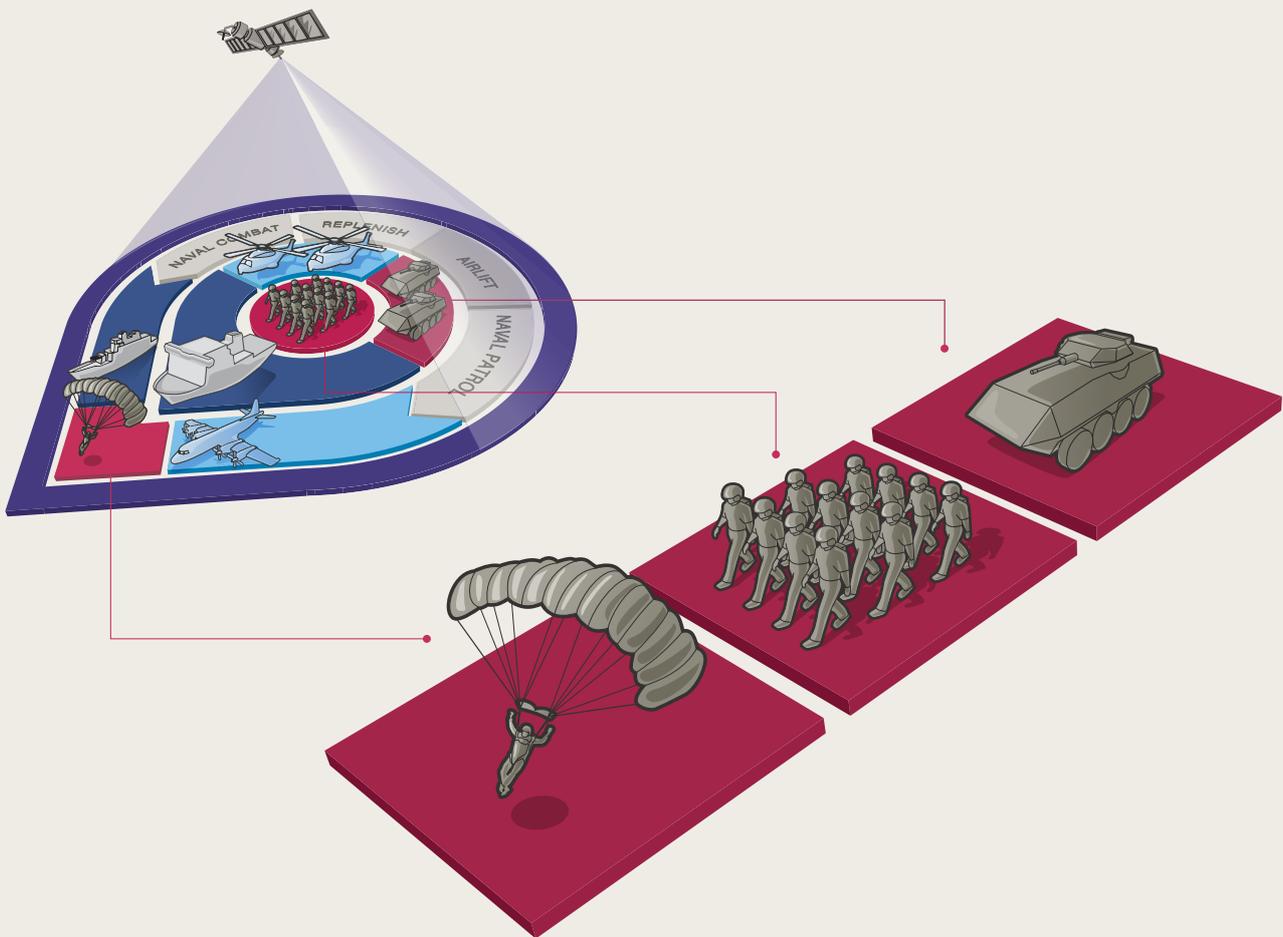
Well trained and operationally prepared ground forces, which includes Combat Units, Special Operations Forces, and Combat Support Units such as Engineers and Artillery, provide effective, credible, ground combat capabilities which the Government can deploy at short notice for a wide range of tasks, including tasks alongside partner forces.

The ANZAC frigates and their integrated capability systems represent the only maritime force element capable of operating across the spectrum of operations from constabulary and humanitarian tasks to combat roles as part of a multi-national response. The frigates are also able to protect other ships including amphibious sealift and logistical support ships.

Embarked naval helicopters provide extended reach, surveillance and air-delivered weapon capabilities for the frigates.

LINKS TO OTHER CAPABILITY SETS

Credible combat forces can be successful only when supported by deployable, capable, and responsive strategic projection and sustainment capabilities. They also rely on effective command and control arrangements, and intelligence, surveillance and reconnaissance support.



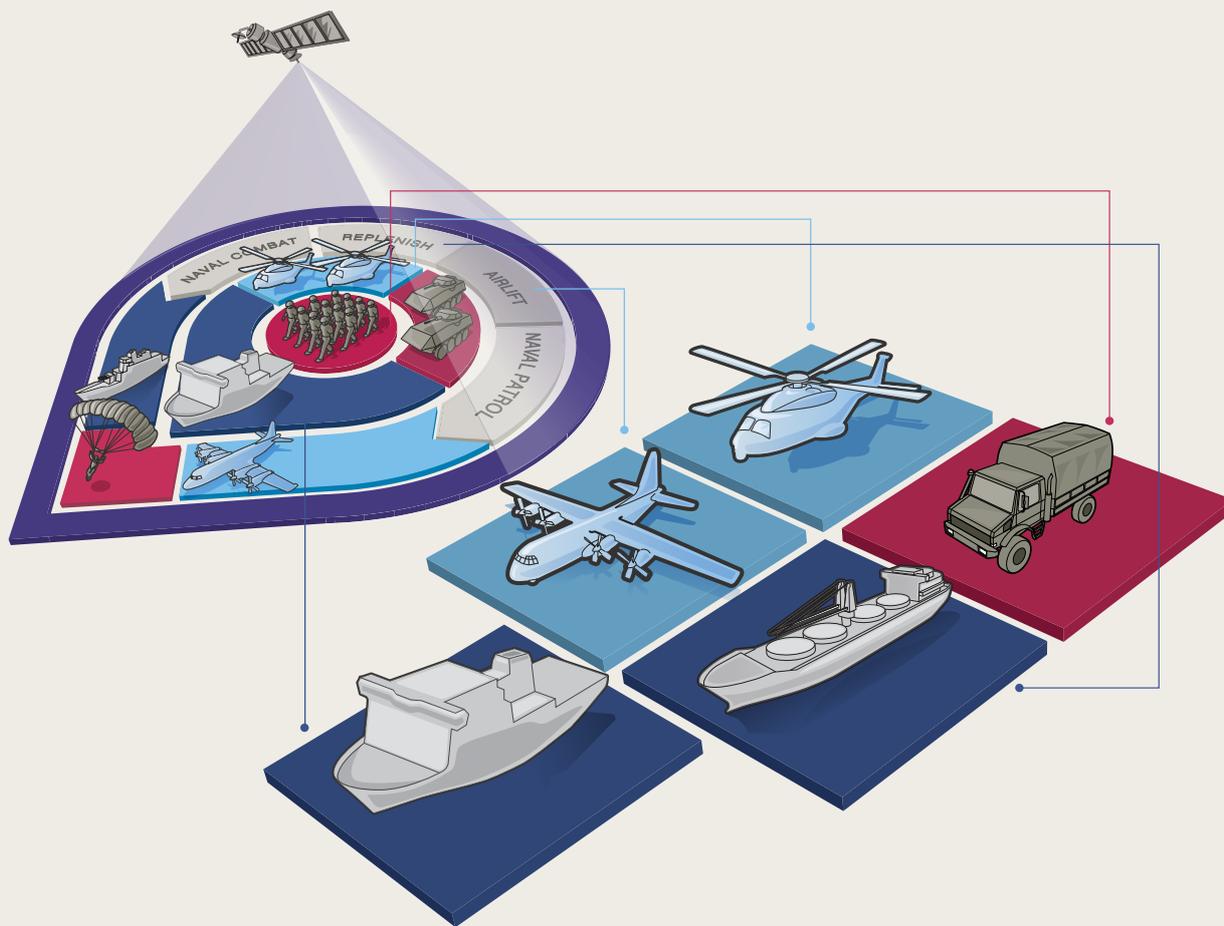
DEPLOYABLE GROUND FORCES

At the centre of the Joint Task Force are deployable ground forces. They may be required to deploy into hostile environments, so must be capable of combat tasks. They will also be used for tasks such as humanitarian assistance, disaster relief, or the evacuation of nationals.

Having the flexibility to deploy ground forces in different configurations that are matched to the task is the key to maximising their utility. In order to achieve this flexibility, emphasis is placed within this capability set on ensuring that the deployable elements of the New Zealand Army have the right combination of structures, training and equipment.

LINKS TO OTHER CAPABILITY SETS

Deployable ground forces can be successful only when supported by capable and responsive strategic projection and expeditionary logistics sustainment. They also rely on effective command and control arrangements and intelligence, surveillance and reconnaissance support.

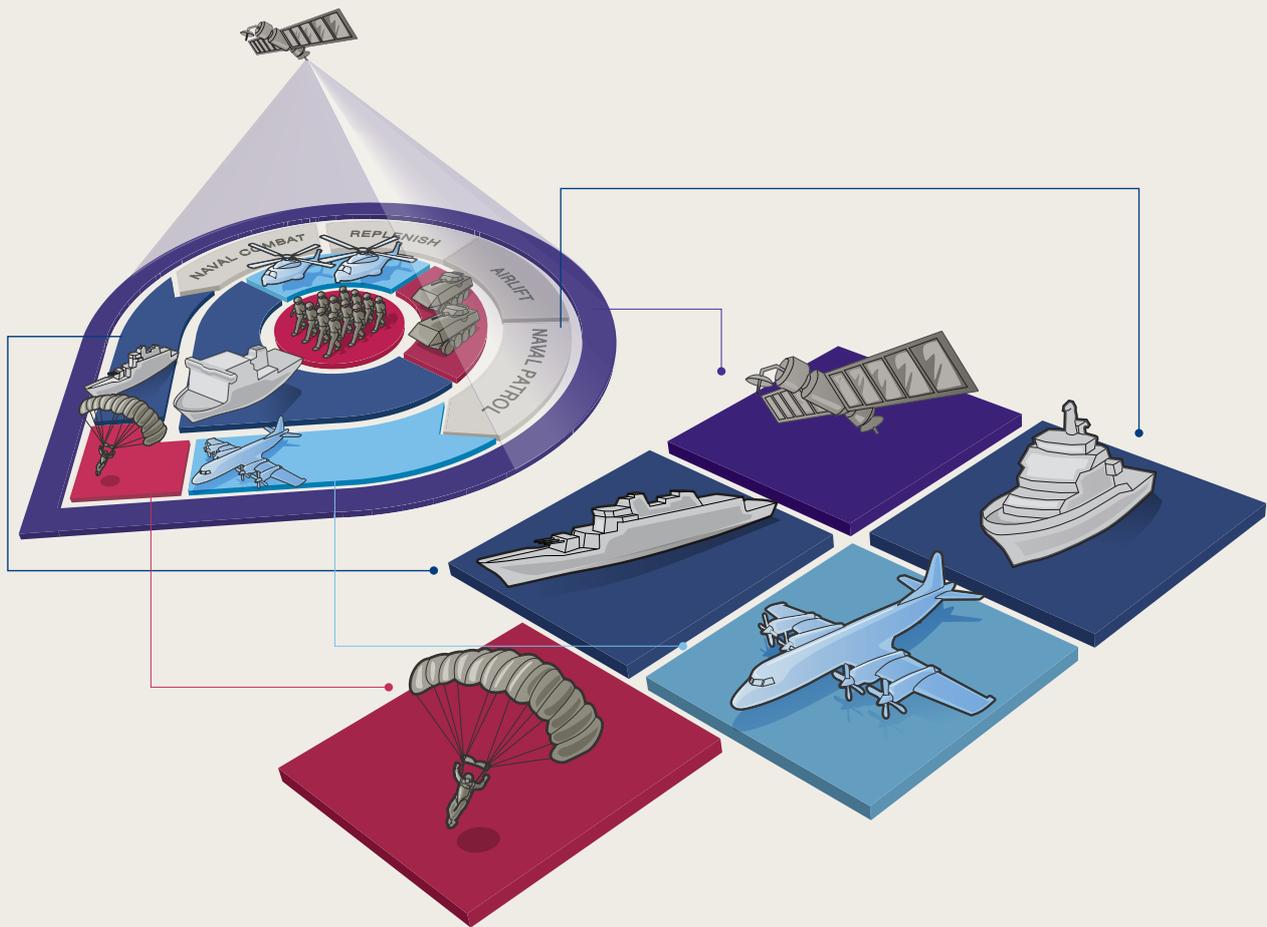


STRATEGIC PROJECTION AND SUSTAINMENT CAPACITY

The Joint Task Force will be capable of conducting and sustaining operations within New Zealand’s maritime zone and the South Pacific. In our immediate region the ability to deploy forces across large distances, by both air and sea, into unstable, potentially hostile environments, and sustain them once there, is crucial to the conduct of NZDF tasks. The ability to respond quickly and effectively to humanitarian assistance and disaster relief situations across our region is also important.

LINKS TO OTHER CAPABILITY SETS

The capabilities in this set all form a core support role for both deployable ground forces and combat forces. Some of the assets within this capability set have multiple roles, for example HMNZS *Canterbury* also provides training and contributes to the Command, Control, Computers and Communication (C4)/ Intelligence, Surveillance and Reconnaissance (ISR) capability set.



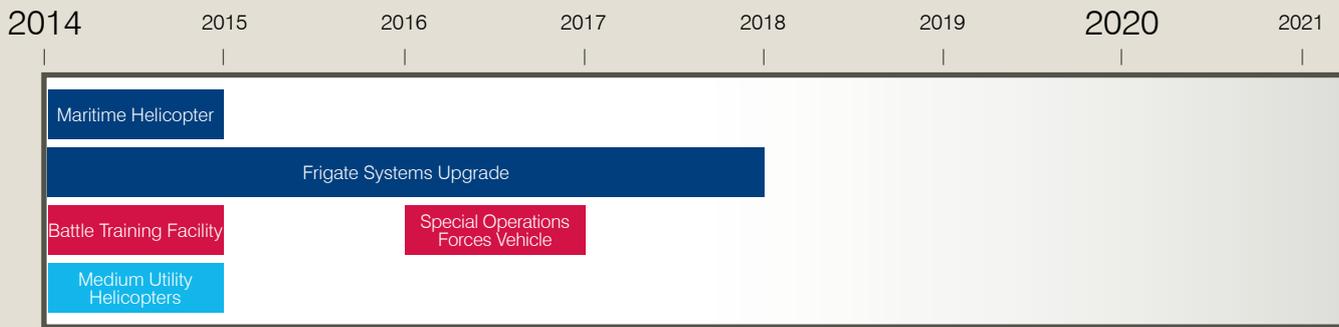
COMMAND, CONTROL, COMPUTERS AND COMMUNICATION (C4) / INTELLIGENCE SURVEILLANCE AND RECONNAISSANCE (ISR)

Effective Command and Control (C2), enabled by Computers and Communications (C4 collectively), represent a system that facilitates better coordination of activity between the Services and responsiveness to all-of-Government requirements. A Network-Enabled Intelligence, Surveillance and Reconnaissance (ISR) capability would in turn support effective Command and Control decision making by allowing the NZDF to better understand and interpret the overall operational environment.

Integrated and complementary C4 and ISR can better support assets, including ground forces, by allowing them to conduct independent and coalition operations. Battlefield command and control systems with support communications and intelligence, surveillance and reconnaissance sensor networks are key to this.

While C2 and ISR were treated as distinct capability sets in the 2011 Defence Capability Plan, the broad capabilities have since been characterised as a single capability set, C4ISR, to better reflect the contemporary military context.

While all of the Capability Sets are supported by the application of science and technology, this Set in particular is underpinned by significant research and development.



CREDIBLE COMBAT CAPABILITIES

PEOPLE AND SKILLS

In order to allow our Special Operations Forces (SOF) to maintain and enhance a high level of operational readiness, a new Battle Training Facility is under construction. This project will provide a high quality, modern, accessible, multi-functional training facility to increase the efficiency, effectiveness, and maintenance of special operations skill sets.

The facility will prepare SOF for widely varying mission scenarios. It will allow for differing configurations, better representing a range of operational environments in which SOF may have to operate. Versatility can extend beyond SOF to incorporate other NZDF units, and specialist operators from other government agencies, such as the New Zealand Police. The facility is scheduled to be completed in mid-2015.

A range of smaller projects designed to enhance the level of support for SOF, including the replacement of inflatable boats, are now underway.

One infantry company will be held at a higher state of readiness for employment in a range of short notice contingency responses, including support to special operations. Currently the capability is able to provide a Headquarters Element, two platoons and enabling elements. It is expected that the full capability will be able to be delivered by January 2016.

CAPABILITY UPGRADES

Naval Combat

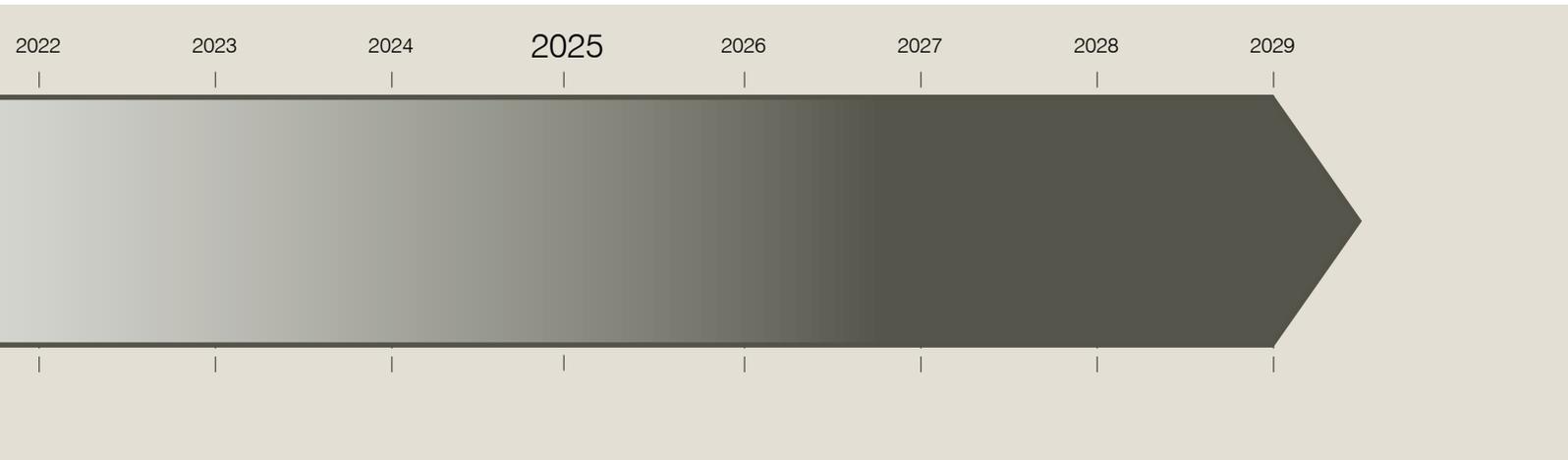
The White Paper proposed that the ANZAC frigates be upgraded to improve their defensive capability against contemporary threats, and to enable them to continue to provide a valued contribution to coalition operations.

The Platform Systems Upgrade (PSU) project is focused on the improvement of the frigates' propulsion, heating, ventilation and air conditioning systems. All Phase 2 work on HMNZS *Te Kaha* is scheduled to be completed in mid-2014.

The complementary Frigate Systems Upgrade (FSU) project is designed to address the frigates' sensor and weapon obsolescence, and restore the ships' ability to defend against contemporary air, surface and under-water threats.

The Kaman SH-2G(I) Seasprite helicopter forms part of the ANZAC frigates' capability and may also embark on the Offshore Patrol Vessels and the Multi-Role Vessel, HMNZS *Canterbury*, when their tasking requires the use of a helicopter. The White Paper confirmed that naval helicopters will continue to provide extended reach, surveillance, and air delivered weapon capabilities (air to surface missile and anti-submarine torpedo) for the frigates. After consideration of the options, a fleet of upgraded Kaman





SH-2G(I) Seasprites is being acquired. The project also includes the acquisition of anti-ship Penguin Missiles to replace the current stock of less capable Mavericks. Delivery of the first three aircraft is scheduled for the first quarter of 2015.

Tactical Airlift

New NH90 helicopters are replacing the Iroquois helicopters. They will provide the NZDF with a significantly enhanced tactical troop lift helicopter, which includes a self-protection capability. The NH90 is a step change in the tactical airlift support provided to our land forces. It will also be able to conduct limited operations from HMNZS *Canterbury*, thus providing a component of the Joint Task Force and contributing to a range of support functions and operations within New Zealand and the South Pacific. Delivery of the eighth and final helicopter is expected later in 2014.

CAPABILITIES UNDER DEVELOPMENT

Land Combat Weapons

Ensuring our troops are equipped with up to date and effective weapons is a high priority.

New light machine guns, tactical shotguns, and designated marksman rifles have already been brought into service as part of the In Service Weapons Replacement/Upgrade Programme (ISWRUP). The next step is to replace the current Steyr rifle with a modern ‘open architecture’ rifle that can be fitted with the full range of day and night sights and other fitments that maximise our soldiers’ capabilities. Future ISWRUP projects will include new pistols, sniper rifles and grenade launchers.

The Javelin guided missile has proved highly effective on operations. Improvements to sighting and guidance systems, and upgraded missiles to provide more flexibility, will be acquired as they become available.

Our heavy machine guns will be upgraded including new sighting and aiming systems that bring them into line with the new automatic grenade launchers already introduced into service. Mortars will also be upgraded.

Night Vision equipment is essential to modern operations. A ‘rolling refresh’ project has been put in place to keep pace with technology advances, thereby ensuring that our forces stay up to date. A project building on our operational experience to develop a deployable counter-improvised explosive device capability is also underway.





DEPLOYABLE GROUND FORCES

PEOPLE AND SKILLS

The NZDF must be able to deploy personnel in numbers equivalent to a Battalion Group for an enduring period, and be able to lead an operation similar in size to that undertaken in Timor-Leste (1999), should this be necessary.

The circumstances requiring this level of commitment are unlikely to be frequent. It is therefore uneconomic for Defence to maintain such high personnel levels on a constant basis. Should the need for such a deployment arise, additional personnel will be recruited to cover subsequent rotations.

CAPABILITIES UNDER DEVELOPMENT

Land Transport

As part of the Land Transport Capability Programme, a combination of commercial and military vehicles are being acquired that will enable the NZDF to meet its operational outputs, garrison support, and training needs. The programme will provide a capability that enables agile responses to rapidly changing threat environments.

The first project in this programme replaces the current Medium and Heavy Operational Vehicles. About half of the new fleet of trucks have already been delivered, with the rest due to arrive by the end of 2015. The trucks represent a significant advancement on the current Unimog fleet. They can carry heavier loads, including modern pallets and containers. Some trucks have self-loading/unloading systems. They have increased road capability and can support modern communications and other electronic equipment, and be equipped with armour and other defensive systems to protect the operators.

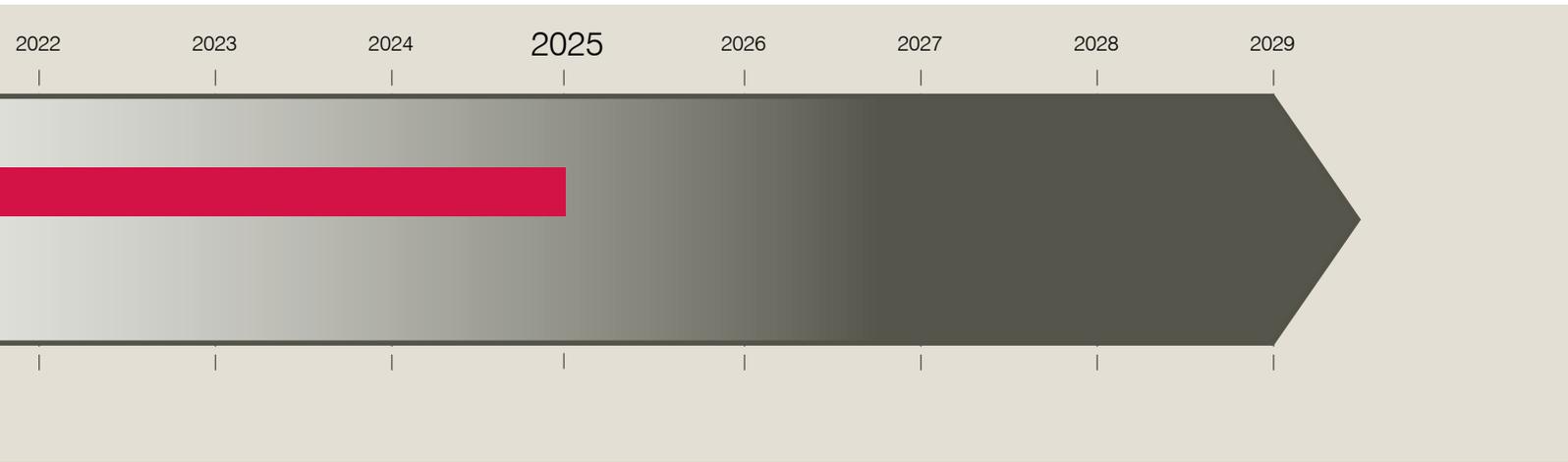
Projects for new support and specialist vehicles (including for the Special Operations Forces) will commence soon. The programme runs until 2025, by which time the NZDF vehicle fleet will be fully refreshed.

Enhanced Armoured Mobility

The NZLAV provides firepower, manoeuvre, and protection to ground forces. The White Paper suggested that a reduced fleet of the current NZLAVs would be retained, and an investigation conducted to consider reconfiguring some to provide variants such as battlefield ambulances and command and control vehicles.

These issues will be considered as part of the NZLAV Refresh project now underway, beginning with a strategic assessment of the NZDF's armoured mobility requirements over the next decade and beyond.

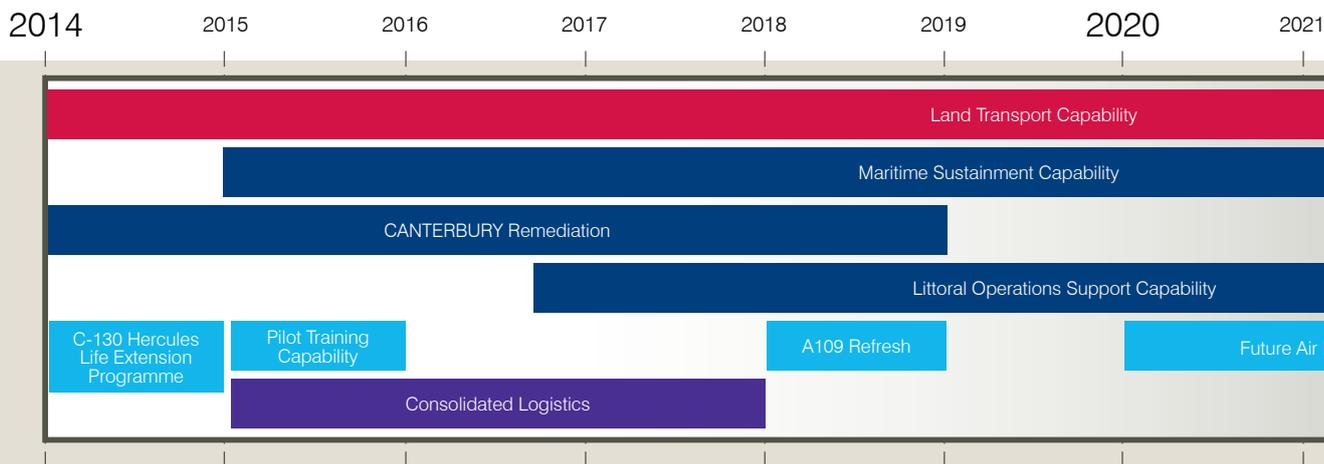




Soldier Modernisation

To complement the land combat weapons system programme, a soldier modernisation programme is also under development to ensure that NZDF personnel have appropriate and sustainable soldier systems (including support, lethality, protection, situational awareness, and mobility) in order to achieve mission success across the spectrum of conflict.





STRATEGIC PROJECTION AND SUSTAINMENT CAPACITY

PEOPLE AND SKILLS

Pilot Training

The NZDF pilot training system is a key enabler of airborne capability, training both fixed wing and rotary wing pilots. The White Paper noted that the future NZDF pilot training capability needed to match the full range of operational demands on aircrew. A tender for supplying the capability was approved in early 2014. The project involves the procurement of a pilot training solution that encompasses basic and advanced pilot training with aircraft, training devices, maintenance and also includes a pilot selection tool. The project is now in the acquisition phase. The first two aircraft are scheduled to be accepted in the last quarter of 2014, with the rest of the capability delivered by the end of 2015.

Deployable Health Capability

The NZDF's overall health capability is primarily dependent on people. This ranges from personnel trained in first aid and an awareness of basic health care and prevention, through to uniformed specialist staff for deployment and access to experts such as surgeons. An overarching operational concept for Deployable Operational Health Service Support has now been approved.

CAPABILITY UPGRADES

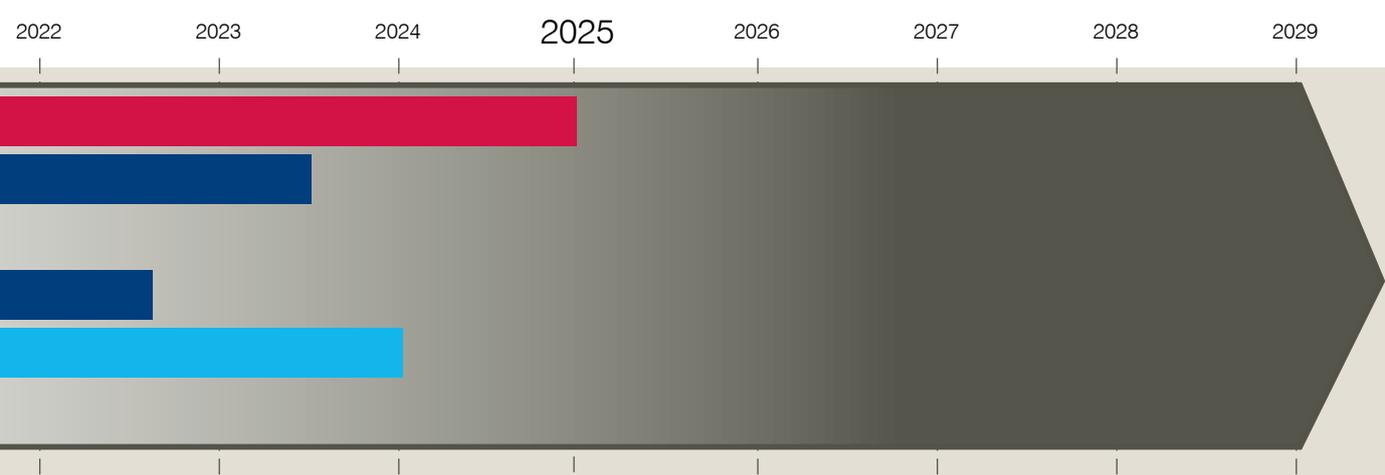
Tactical and Strategic Airlift

Utility helicopters provide a range of logistic support, which includes troop transport and sustainment. Planned integration with the naval platforms will enable logistic support to amphibious tasks.

The A109 Training/Light Utility Helicopters are providing a combined rotary wing pilot training and light utility transport capability to support a range of government and civil agencies in New Zealand. The A109s will also provide vital support to counter-terrorism activities and Special Operations Forces, and be integrated with HMNZS *Canterbury*.

Since the last Defence Capability Plan was released, all five A109 helicopters have been delivered and training for aircrew is underway. A refresh of the A109's systems is planned for 2018/19.





C-130 Hercules aircraft provide tactical and strategic airlift for personnel, equipment and logistics, both inter and intra theatre. The C-130 Hercules provides a key airlift capability for the deployment of personnel and equipment for the NZDF both within our immediate region and further afield. It is crucial for the deployment of high-readiness personnel abroad. A C-130 Hercules Life Extension Programme is underway to upgrade the five C-130s' existing electrical equipment, communication and navigation systems. Some structural refurbishment of the aircraft has also been undertaken. The fifth and last aircraft is scheduled for acceptance by the Air Force in 2015.

This project will extend the life and availability of the C-130 aircraft for airlift and transport tasks through to at least 2020.

CAPABILITIES UNDER DEVELOPMENT

Maritime Sustainment

The replenishment capability is a key regional enabler especially in projecting and sustaining an NZDF Joint Task Force into the South Pacific.

The naval combat force and other deployed NZDF assets are supported by a maritime sustainment capability (currently the fleet replenishment ship, HMNZS *Endeavour*) enabling them to operate at greater distances than if they were operating independently. This capability carries supplies and fuel for the NZDF and its partners. It can re-supply ships at sea, or in overseas ports. HMNZS *Endeavour* will soon reach the end of its life.

The replacement capability will be capable of refuelling and sustaining the Joint Task Force both at-sea and from-the-sea. When combined with other capabilities it would also offer options in terms of the sustainment of ground forces, and for humanitarian assistance and disaster relief missions, primarily within the Pacific region. The new capability is scheduled to be in service by mid-2019.

Littoral Operations Support

Historically, littoral operations (diving support, hydrographic surveying, mine counter-measures and other littoral warfare support activities) have been largely supported by two ships, HMNZS *Resolution* and



HMNZS *Manawanui. Resolution* was decommissioned in 2012. *Manawanui* is nearing the end of her expected service life and faces increasing obsolescence issues. A Littoral Operations Support Capability (LOSC) is now under development to identify options to replace these vessels.

The LOSC will support the RNZN's Maritime Survey Team, the Operational Dive Team and the Mine Countermeasures Team. It will also enable the lodgement of land forces from the sea by ensuring navigational safety for RNZN (and other maritime) vessels in littoral areas.

Logistics Support

To effectively operate in the South Pacific, the NZDF needs a robust and expeditionary logistics capability. In practice, this means that forces have appropriate levels of access to reliable equipment when and where it is required, so that it is effective, safe and not a liability to those operating with us.

A Consolidated Logistics Programme will implement a series of changes to NZDF logistics infrastructure, governance, information and asset management. This will allow the NZDF to both better manage its costs and deliver greater levels of equipment reliability and availability. These changes will in turn enable the NZDF to demonstrate the levels of operational self sufficiency anticipated by the White Paper.

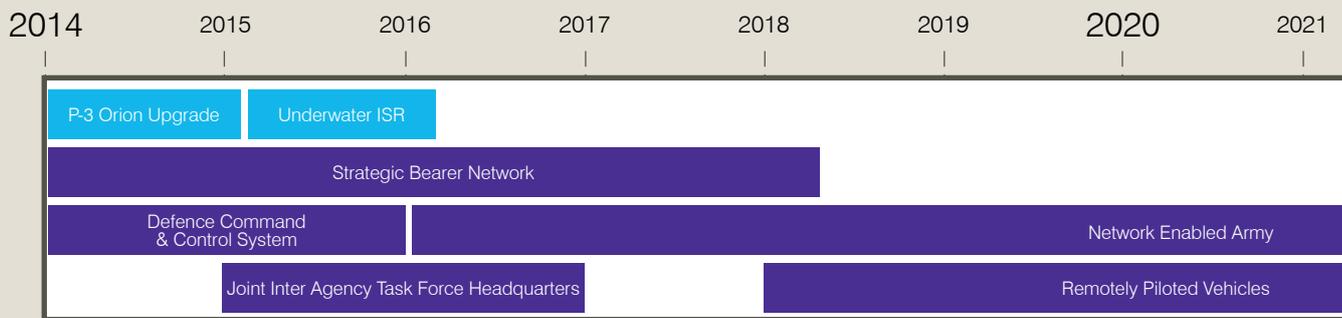
Future Air Mobility

A Future Air Mobility project is commencing this year. This will quantify the size of the NZDF's airlift requirements as a first step towards providing options for the replacement of the aging C-130 Hercules and B757 fleets. This replacement is intended to occur between 2018 and 2025.

The project will consider all options to maintain the current range of capabilities including strategic and tactical transport of people and cargo, airdrop, low level and high level missions, aero-medical evacuation, and backup search and rescue capabilities. It will plan for the overall capability to be maintained through the transition from old aircraft to new, and ensure that the future capability can be operated within the resources available.







COMMAND, CONTROL, COMPUTERS AND COMMUNICATION (C4) / INTELLIGENCE SURVEILLANCE AND RECONNAISSANCE (ISR)

PEOPLE AND SKILLS

Work is now underway to develop a deployable headquarters organisation that can be activated and staffed when required for operations. This will enhance the NZDF’s ability to lead operations, as well as its capacity to contribute to a headquarters led by coalition partners.

CAPABILITY UPGRADES

Intelligence, Surveillance and Reconnaissance

The P-3K Orion Surveillance and Reconnaissance aircraft works with other intelligence, surveillance and reconnaissance assets to provide wide area surveillance and operate in direct support of deployed combat forces. They also contribute to surveillance over New Zealand’s Exclusive Economic Zone.

The P-3K Orion Mission Systems Upgrade Project is upgrading the aircrafts’ sensors, in addition to mission management, communications, and navigation systems. This project is nearing completion, with the sixth and final aircraft scheduled for acceptance in mid-2014.

Strategic Communications

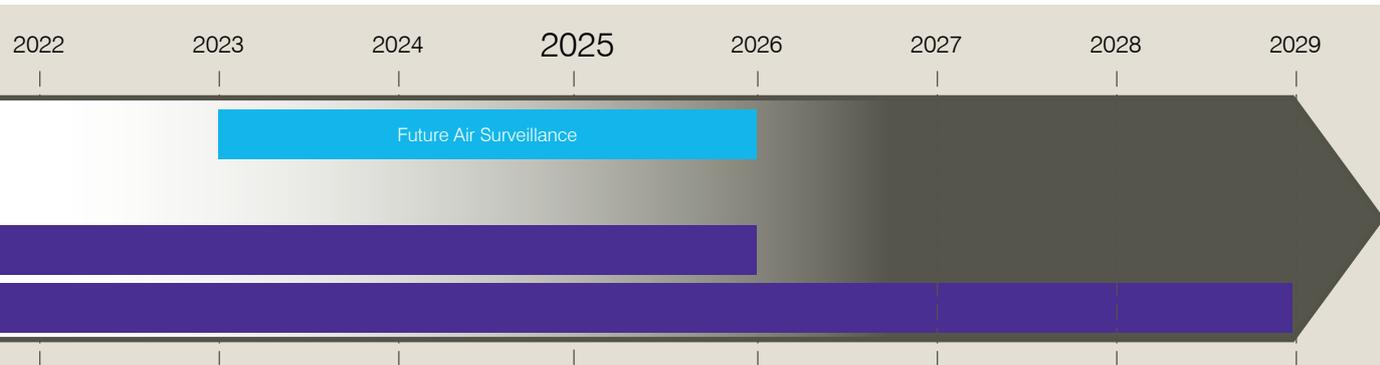
The Strategic Bearer Network Project (SBNP) will support a number of capabilities associated with the Network Enabled Army Programme, DC2S, the P-3K Orions and the ANZAC frigates, by providing Satellite Communications (SATCOM) equipment to the NZDF. A number of mobile terminals, maritime terminals for the Navy and fixed anchor station terminals will be purchased. This SATCOM equipment will enable deployed forces to meet current and future strategic information exchange requirements. A global SATCOM system, a key element of the SBNP, has been approved and acquisition activities are underway.

SBNP Phase 2 is due to commence, and will examine options for addressing obsolescence issues in the NZDF’s High Frequency radio network, providing an alternate, long-range, bearer should satellite communications fail or be unavailable.

Command and Control

The Defence Command and Control System (DC2S) project is currently in the acquisition phase. This system will collect, collate, process, display, store, disseminate, and protect command and control information in near real time. The system will enable force elements from all three Services to work together efficiently and effectively by enhancing their situational awareness and decision-making processes.





The project is being implemented in two phases and is expected to be completed by the end of 2014, except for Navy vessels where implementation is dependent on ship maintenance programmes, and may not be complete until 2015.

CAPABILITIES UNDER DEVELOPMENT

Digitising the Front Line

The Network Enabled Army (NEA) programme is the tactical level complement to the DC2S programme. NEA effectively digitises the Army by providing modern command, communication, battle management and surveillance capabilities. It will provide advanced capabilities including ‘blue force tracking’, a common operating picture for all troops, and secure satellite communications on the move for front line soldiers. NEA will also ensure that our front line troops can be networked effectively with Air Force and Navy assets, and with partner nations for coalition operations. A comprehensive NEA Programme Business Case, which explores options for the likely mix and sequencing of activities under the programme, has now been developed. The first tranche of NEA projects will commence shortly.

Intelligence, Surveillance and Reconnaissance

Consideration will be given to upgrading the Underwater ISR capability of the P-3K Orions, used to find and track underwater objects. This project complements the completed Mission Systems Upgrade, which focused on the over water and over land domains.

PROSPECTIVE CAPABILITIES

Remotely Piloted Vehicles

In the future, Defence will explore whether Remotely Piloted Vehicles could be acquired to provide intelligence, surveillance and reconnaissance in support of ground forces and surveillance of the Exclusive Economic Zone.



Investment Themes

Organisational Capability and Workforce, alongside infrastructure (Information Communications Technology and Estate collectively), are key enabling functions that will be a focus of greater investment over the next 10 years.

Strengthening these functions will support the broader NZDF strategy of creating a Joint Task Force, by providing more effective and better integrated support to NZDF operations.

ORGANISATIONAL CAPABILITY AND WORKFORCE

The capabilities described in this Plan cannot be delivered without the support of committed and highly trained personnel.

Technology and security trends will influence the structure and roles of the future Defence Force. The environment in which the NZDF must recruit personnel will also pose new challenges as demographic and social trends continue to influence the characteristics, needs and expectations of the current and future force. The right people, both civilian and military, are likely to become harder to attract, more costly to recruit and train, and more marketable in the external employment market.

ORGANISATIONAL CONTEXT

The NZDF comprises a force of full time military personnel, reserve forces, and civilians, supported by a number of Defence contractors. This diverse workforce is responsible for delivering key outputs to government nationally and around the world. A range of tasks must be performed, requiring contributions from three Services, specialisations within each Service, and joint operational and support groups.

There is a hierarchical rank structure comprising separate officer, non-commissioned officer and other rank groups, a demographically diverse military regular and reserve force component, and a civilian workforce.

The majority of uniformed NZDF personnel are not subject to New Zealand employment legislation, as they are required to “serve”, rather than be employed, by the NZDF. The NZDF is also bound by the Defence Act 1990. The armed forces constitution differs radically from the constitution of other organisations in terms of purpose, power, methods used to complete purpose, and the relationships with and between senior leaders.

These unique characteristics of the NZDF collectively define its culture and set it apart from other organisations.

FUTURE WORKFORCE REQUIREMENTS

To ensure that the NZDF has both the capability and the workforce capacity it needs, there will be a strong focus on the development and retention of competencies, experience and culture over the next ten years.

The first step will be to complete the NZDF Organisational Culture Review currently underway. To date, this has indicated that the NZDF needs a workforce that is:

- **Operationally Focused:** The NZDF will be agile and adaptable; an organisation that can respond quickly and flexibly to situations and changing demands. The NZDF will be well-equipped, keeping pace (or leading) in its adoption of new technologies.
- **Joined Up:** An NZDF where the three Services work together collaboratively and complementarily. The NZDF will integrate its civilian and military workforce and be a culture where personnel work together in harmony and are equally valued. The NZDF will support and value its people with a culture that embraces and leverages diversity. The NZDF will reinvigorate and maintain a caring, ‘people first’ culture.

- **Talent-Centric:** The NZDF will be a human capital focused organisation that attracts, identifies, develops and supports talent and manages 'talent flow'. The NZDF will be an organisation that fosters and rewards innovation and which captures and enhances organisational knowledge. The NZDF will also invest in the development of all of its people and maximise reach and impact of training whilst maintaining and promoting a unique identity and military culture and ethos.
- **Valued:** The NZDF will build upon its strong culture and reputation and will be an organisation that is highly regarded as credible, relevant, and professional. The NZDF will be valued by the New Zealand public.
- Able to demonstrate **leadership, communication and consultation:** NZDF leaders will show visible and committed leadership and will be accountable, and transparent. There will be good communication flow both up and down the command chain, and across the Services.

The outcome of the NZDF Organisational Culture Review will be informed by a number of recent reports and reviews, including the Report on Maximising Opportunities for Military Women in the NZDF.

INFRASTRUCTURE

INFRASTRUCTURE: INFORMATION COMMUNICATIONS TECHNOLOGY

Capability development over the next 10 years will require significant research, science and technology input. The White Paper was clear about the need to refresh and update Defence Information Communications Technology (ICT) systems. As the NZDF becomes more connected, with data becoming available from multiple sources, the ability of personnel to effectively access, manipulate, and interpret information is becoming increasingly important. ICT and information management will therefore be a vital component of capability development out to 2020 and beyond.

The NZDF recognises the vital role that ICT systems play in ensuring that the right people have access to information in order to support decision-making, and have developed an ICT Strategy to reflect this.

As part of the Strategy, a new system will be introduced to ensure the accessibility of classified information across Defence. This will optimise the use of Defence IT assets by converging communications, computing and enterprise services.

Timely access to the right information is vital to ensuring operational effectiveness. To that end, the Strategy also encourages the leveraging of commercial mobile technology.

A new Human Resource Management Information System is being rolled out. The second phase of the project will transform human resource management, administration and payroll by consolidating separate functions into a single industry standard system.

To maintain its relevance in the ICT space, the NZDF will ensure personnel have the technical and information skills required to cope with advancing technologies, particularly those associated with the increasing likelihood of cyber attack.

INFRASTRUCTURE: REAL ESTATE

There are no plans to change the overall number of camps, bases, or training areas. There will, however, be some internal rationalisation.

Since the publication of the last Defence Capability Plan in 2011, the NZDF has sought to better understand the most appropriate drivers for investment in its real estate. Rather than pursuing consolidation for its own sake change is now being driven by business needs identified within specific areas of Defence (for example logistics, new capabilities and education/training).

The NZDF's focus over the next 10 years will be on making a substantial investment in safer, more modern and fit for purpose real estate, and reducing the operating costs associated with maintaining estate beyond its economic life.

Through a process of real estate recapitalisation, ageing or life-expired assets will be modernised or replaced. Recapitalisation will be progressively implemented and will target those assets or groups of assets with the highest priority and greatest benefit to Defence. Planning is underway to identify these priorities and the implementation programme.

The potential benefits to be realised from recapitalisation are:

- a. modern, sustainable, energy efficient, and fit for purpose buildings that meet Defence and government needs;
- b. greater organisation and asset resilience; and
- c. where consolidation/co-location is pursued:
 - a reduced maintenance burden
 - economies of scale achieved by concentrating like activities at fewer facilities
 - reduced inventory holdings.

NZDF personnel will be based as far as practicable in facilities and at locations that support Defence requirements while supporting family stability, employment and education opportunities.





Opportunities for Defence Industry

The implementation of this Plan is dependent upon the continued support of local and international defence industry.

Recent changes to government sourcing rules will make it easier for defence industry, including smaller players, to do business with the Government. For example, more information about procurement opportunities will be provided, alongside longer timeframes for responding to tenders.

The Government will ensure opportunities for involving local industry have been fully canvassed before making major defence capability decisions. Defence international suppliers are being encouraged to consider partnering with local industry where this is appropriate.

Local industry has a key role in supporting and maintaining military capabilities throughout their life. It is in the area of through-life support where the flow-on effects for New Zealand's economy in the form of strategic partnerships with local suppliers are greatest.

