

FUTURE35

Our strategy to 2035

About this Strategy

We have developed a framework of a five year plan (short and near term), 10 year plan (mid term) and 25 year plan (long term) to implement the strategic change needed within the Defence Force to overcome current and future challenges.

F35 means:

2015

- By 2015 the Joint Amphibious Task Force (JATF) capability will have been developed with individual force elements proficient in working with other nations' amphibious elements.

2020

- By 2020 the Defence Force will have enhanced its land combat capability through the Network Enabled Army Programme, mobility projects and weapons upgrades. Maritime capability will be enhanced through frigate systems upgrades and enhanced littoral warfare support capabilities.

2035

- By 2035 we will be operating new amphibious, air transport and surveillance, and improved C4ISR capabilities. We will have had a generational change in our Total Defence Workforce approach and its focus on integration.

Introduction from the Chief of Defence Force



There is an old proverb: 'Signposts only show the road, they don't go along it.' I think that applies to this strategy document, because this strategy is really setting out the signposts for the journey we are on as a military organisation.

In the next few years the Defence Force will be withdrawing from major operations that have occupied us for the past decade – Afghanistan, Timor Leste and Solomon Islands. Meanwhile, we'll be continuing to provide a responsive combat capability to protect New Zealand and our interests in the Southwest Pacific.

By 2015 we will also have introduced most of the changes required to improve our organisational efficiency; the majority of our reform initiatives will have been implemented and we will be well placed to undertake the capability developments planned for 2015-2020. How we balance the familiar with the new is outlined in this F35 document.

The Future 35 Strategy (F35) builds on the strategic themes of Capability Renewal and Organisational Reform that have guided our change programme to this point. We have further developed our strategic objectives and are able to provide a more detailed roadmap of where we will be focusing our efforts. That focus is based around three timelines:

- Delivering a Joint Amphibious Task Force by 2015
- Enhancing our combat capability by 2020
- Having an integrated Defence Force by 2035.

Over the page you'll see that keeping New Zealand secure remains our mission. Integral to our mission, as primary tasks, are our operations to secure our exclusive economic zone (EEZ), our work in supporting Antarctica and our security responsibilities in the Cook Islands, Niue and Tokelau. We have introduced a new vision: 'Joint Operational Excellence'. It's one of the signposts for how we will be operating in the future and it points us to being more integrated. It is unashamedly about being an operationally focused military force. This is our core business, our reason for being.

The role of the Service Chiefs is extremely important in delivering our strategy. They are our experts in the maritime, land and air domains. I expect them to continue developing

“ It is unashamedly about being an operationally focused military force. This is our core business, our reason for being. ”

our Defence Force culture and growing capabilities and professions within the land, maritime and air environments.

The Defence Force is, and always will be, a people organisation. We need to ensure that good people continue to want to join the Defence Force and once joined, remain engaged. Key to this will be understanding our vision, and where we are setting our priorities, so that everyone can understand how what they do in their specific roles, contributes to the bigger picture.

This F35 Strategy sets out how the Defence Force will meet the defence and security needs of New Zealand out to 2035. This is the coming together of our vision, with the plan for how we will achieve it. We are a strong organisation, with talented and dynamic people, so I know with your support and commitment we will succeed.

Lieutenant General Rhys Jones
Chief of Defence Force

FUTURE35
Strategy to 2035

Content Map



Strategic Environment



The next 25 years are likely to be more challenging than the previous. It may be an increasingly uncertain environment which will see the development of new military technology; adoption of new doctrine and tactics – often asymmetric; the establishment of new warfare environments influenced by contemporary trends such as cyber-warfare; use of non-state actors; and greater potential for direct and deniable attacks on New Zealand's interests.

We are likely to see a growing strain on the resilience of Pacific Island states and increased pressure on our ocean resources. We will need to be aware of what is happening in the Southwest Pacific and be able to respond effectively and appropriately, and with little warning.

Some of our neighbours may need our help to develop their capacity to respond to natural disasters and security issues. This will require long-term commitment and cultural understanding. If our desire for a secure, peaceful and stable Southwest Pacific is under threat, we will need to be able to act alone if necessary, but most likely in partnership with Australia. We may also need to act further afield with other coalition forces.

The added challenge is that we may be called on to provide more support to protect New Zealand's economic and territorial interests. While our primary focus is the Southwest Pacific, we must also be able to work in partnership with others in the Southeast Asian region and beyond. Therefore, credible capability and interoperability remain vitally important.

Within this setting, we must develop new military capabilities to meet future security challenges. The spiralling costs of modern military capability will challenge the Defence Force's ability to remain relevant and ensure it can operate with military partners.

“ We will need to be aware of what is happening in the Southwest Pacific and be able to respond effectively and appropriately, and with little warning. ”

Shifts in Economic Power

The emergence of new centres of economic strength is shifting the balance of military power as the growing economies are able to allocate more resources to military spending.

- Economies in North America, Europe, and Japan have grown slowly (or in some cases shrunk), while economies in Asia, Latin America, and the Middle East have become more significant.
- China is now the world's second largest economy.
- Russia's economy has seen substantial growth over the past decade.
- Rising national wealth can help mitigate potential increases in social tensions and resource pressures as population growth becomes ever more concentrated in the urbanised developing world.

Technology changes

In the future, access to military technologies could shape the prospect of conflict in our region:

- The cost of modern military capabilities is spiralling. Only wealthy countries or those which put a high premium on military spending will be able to field the latest technologies.
- This has implications for the ability of like-minded countries to remain interoperable.
- The proliferation of chemical, biological, radiological, and nuclear technologies will narrow parts of the military advantage gap between major and aspiring powers.
- Technological developments will make cyber-attacks more likely, with potentially crippling consequences for critical national infrastructure and communication networks.

Asymmetric threats and terrorism

Terrorism will remain a pervasive feature of the international landscape for the foreseeable future:

- International action against terrorist activity has had some success on a range of fronts – military, financial, transport, trade, commercial – but terrorism will be a continuing challenge to the authority of states.
- Weaker states will continue to provide havens for terrorists, either with or without the consent of local authorities.
- The risk of weapons of mass destruction falling into terrorist hands cannot be ruled out in the coming decades.
- Hostile non-state actors will also seek to exploit whatever comparative advantage they can from cyber-warfare capabilities.

Resource scarcity

The uneven distribution of key resources including food and water is likely to generate strategic tensions:

- Protection of the resources in New Zealand's maritime region is already a priority and will become more so.
- Over the next 25 years, especially as New Zealand may have one of the few remaining sustainable fisheries, we will continue with our efforts to implement monitoring, control, and surveillance regimes.
- Climate change has the potential to exacerbate existing tensions and pressures and increase the risk of conflict both within states and between them.
- The Antarctic Treaty System is in good order, but there is heightened interest in Antarctica's resources.

South Pacific fragility

The outlook for the South Pacific over the next 25 years is one of fragility:

- The people of the South Pacific have few strategic resources to fall back on, and their control over those resources is being tested.
- The effectiveness of regional institutions will remain under pressure.
- Outside countries and non-governmental organisations are likely to continue their involvement in the South Pacific. But this may test New Zealand's continuing ability (alongside Australia), to remain at the forefront of international efforts to support Pacific Island states.

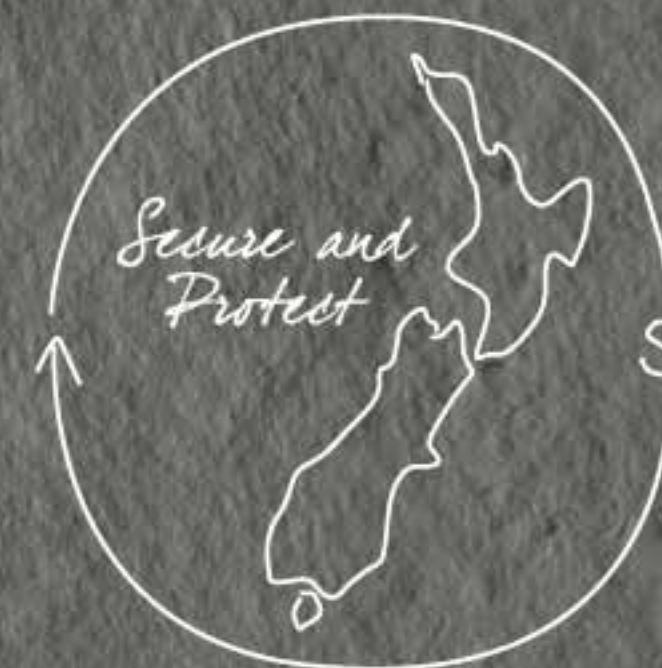
International order

International organisations including the United Nations, the World Trade Organisation and international financial institutions have served New Zealand's interests well, but struggle to forge consensus amongst their diverse memberships:

- Trans-boundary challenges – proliferation, terrorism, the emergence of new technologies, illegal resource extraction, the unregulated movement of people – will continue to prove difficult for the international community to manage.
- The strategic balance in North Asia is shifting. China both benefits from and contributes to regional stability and prosperity, but the pace of China's military modernisation and force projection programme may test the relationships of the major regional powers.
- Notwithstanding shifts in the strategic balance, the United States is expected to remain the pre-eminent military power in the world over the next 25 years and a close security partner of New Zealand.

Our Mission

To secure New Zealand against external threat, to protect our sovereign interests, including within the Exclusive Economic Zone, and to be able to take action to meet likely contingencies in our strategic area of interest.



The Future NZDF

2015

Joint Amphibious Task Force (JATF)

Within the Southwest Pacific the Defence Force can handle most threats on land or sea. The JATF gives us the ability to operate in either or both of these domains and deploy and sustain our forces into the region using our amphibious skills.

By 2015 the Defence Force will have created the foundation JATF, reformed major areas to ensure investment can be made in capability and be able to enhance specific combat capability.

The JATF will see our current force strengths – our operational and support units from across the three Services – able to operate as an integrated force. The JATF will be capable of deploying and sustaining operations in New Zealand or the Southwest Pacific, and will be able to work independently or as part of a larger coalition effort. Individual components will be separately deployable and able to more effectively integrate with other nations' military and civilian organisations.

By 2015 the Defence Force will be better able to support our core military capability, and match the agility and effectiveness of our deployed force elements. The major reform objectives outlined in the Defence White Paper will have been completed. Over the next three years we will focus on evolving military capability and organisational excellence, while ensuring we continue to sustain our operational focus.

We need to strengthen our organisational management and work in a more integrated way to achieve this.

2015

- ☒ MET DEFENCE WHITE PAPER MAJOR REFORM OBJECTIVES
- ☒ SUPPORT CORE MILITARY CAPABILITY
- ☒ MATCH THE AGILITY AND EFFECTIVENESS OF DEPLOYED FORCE ELEMENTS
- ☒ ORGANISATIONAL MANAGEMENT STRENGTHENED
- ☒ WORKING IN AN INTEGRATED WAY
- ☒ TOTAL DEFENCE WORKFORCE POLICIES IN PLACE

2020

Enhanced Combat Capability

The Defence Force's maritime and land combat capability will be enhanced. In the maritime environment this means frigate systems upgrades to enhance sensors and weapons. The land combat capability will be enhanced through the Network Enabled Army programme, mobility upgrades and weapons replacements.

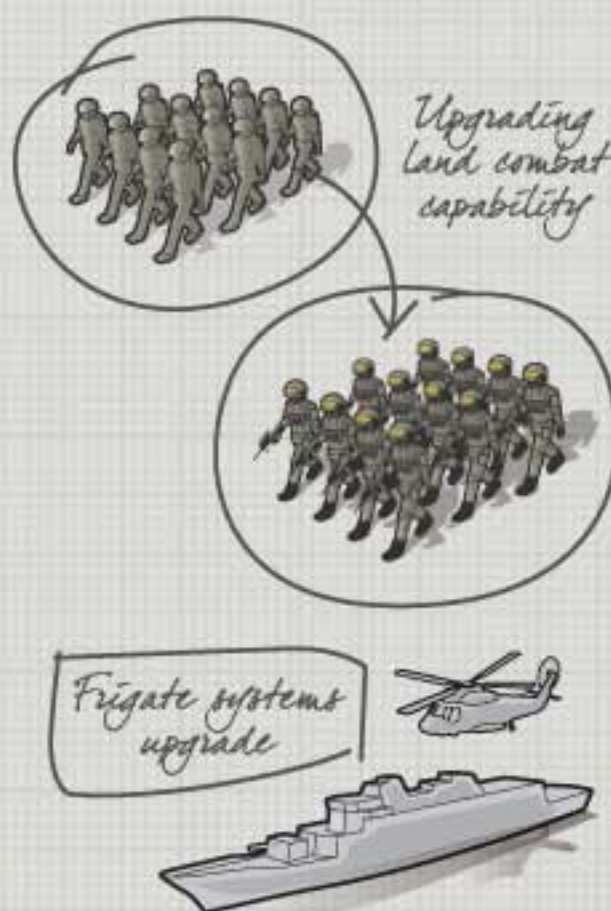
By 2020 there will be an increased emphasis on:

- C4ISR
- Whole of Government support.

We will have achieved:

- An increased engagement and security cooperation in the Southwest Pacific
- Maturity with our integrated initial training
- Integration of force elements
- Improved maritime combat capability
- Improved land combat capability
- Matured our Total Defence Workforce approach.

2020



2035

The Integrated Defence Force

By 2035 we plan to have an agile force capable of providing government with robust response options. Prior to this period the Defence Force will have had to develop plans to obtain the following capabilities:

- New amphibious capability
- Air transport and surveillance
- Improved C4ISR

We will also have had generational change in our Total Defence Workforce approach and its focus on integration.

2035

PLANS DEVELOPED FOR:

AMPHIBIOUS CAPABILITY

AIR TRANSPORT AND SURVEILLANCE

IMPROVED C4ISR

TOTAL DEFENCE WORKFORCE (GENERATIONAL CHANGE)

CONTINUED FOCUS ON INTEGRATION

Agile force

+

Relevant response options

FUTURE35
Strategy to 2035

Our Vision

Joint Operational Excellence

Joint Operational Excellence means we are integrated in the way we work, train and operate at home and abroad. We need to focus on working better together and being excellent in all we do so that we are better able to win on operations.

We need to deliver capabilities and services that are combat-orientated, relevant, and valued by the government and all New Zealanders. To achieve this, we need to be integrated structurally and culturally. This means a shift in the way we work and think: until now we have generally operated apart and sometimes come together. In the future we will largely operate together.

Our operational focus is on situational awareness, having an enduring presence in our region, and responding appropriately.

Excellence is not an end state – it is ongoing and reflected in the way we do things. Excellence requires everyone in the Defence Force to look for better ways to enable and deliver operational effects.

Joint Operational Excellence will be achieved through cascading timelines of five, 10, and 25 years – 2015: the Joint Amphibious Task Force, 2020: Enhanced Combat Capability, 2035: the Integrated Defence Force.

Strategy Map

FUTURE35
Strategy to 2035

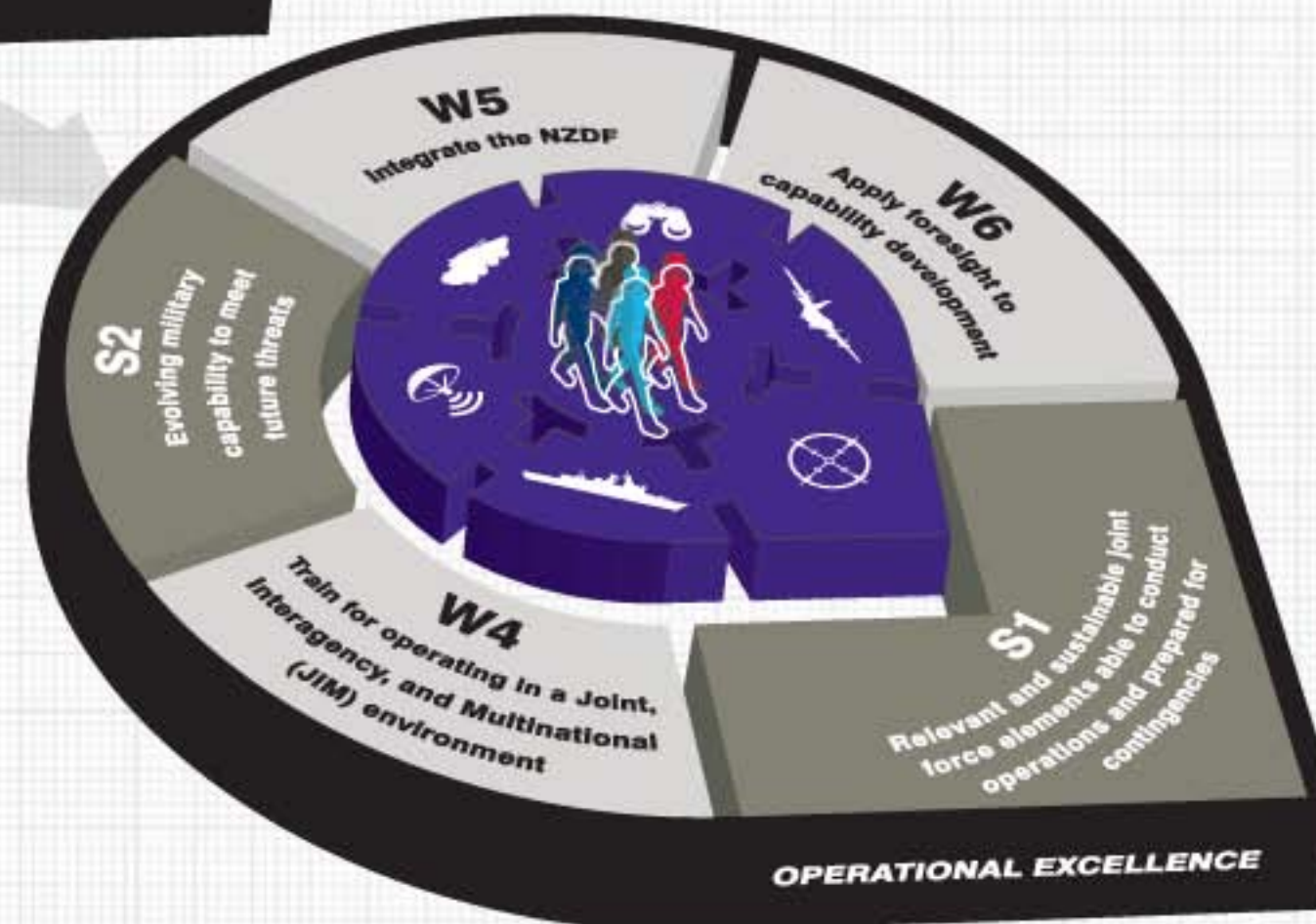


Vision

Joint Operational Excellence

Mission

To secure New Zealand against external threats, to protect our sovereign interests, including within the Exclusive Economic Zone, and to be able to take action to meet likely contingencies in our strategic area of interest.



Values

Courage, Commitment, Comradeship, Integrity

2015 JOINT AMPHIBIOUS
TASK FORCE

2020 ENHANCED COMBAT
CAPABILITY

2035 THE INTEGRATED
DEFENCE FORCE

Note: Coding of these objectives: The coding of these objectives is based on a methodology to show our strategic results (annotated by the letter 'S'), the ways of how we are going to achieve the results (annotated by the letter 'W'), and the means we have to achieve the results (annotated by the letter 'M').

Strategic Objectives Defined

JOINT OPERATIONAL EXCELLENCE

Our Mission: To secure New Zealand against external threat, to protect our sovereign interests, including in the Exclusive Economic Zone, and to be able to take action to meet likely contingencies in our strategic area of interest.

To meet the expectations of the people of New Zealand

We will undertake these

actions

Through our people

supported by our equipment

and infrastructure

Underpinned by our values

S1

Relevant and sustainable joint force elements able to conduct operations and prepared for contingencies

Intent: The Defence Force is capable of sustaining current operations, delivering services the government wants, and is prepared for the next likely contingency. The Defence Force will focus in the near term on developing a joint amphibious capability to achieve influence in New Zealand's area of interest.

Key focus areas of change:

- Achieving influence in New Zealand's area of interest
- Deliver a Joint Amphibious Task Force (JATF) capable of operating in a Joint Interagency and Multinational (JIM) environment.
- Leading operations in the Southwest Pacific
- Improving Intelligence, Surveillance and Reconnaissance (ISR)
- Sustaining current operational deployments
- Improving the delivery of current services, particularly those required by our interagency partners.

S2

Evolving military capability to meet future threats

Intent: Guided by continual assessment of the contemporary environment and future analysis, the Defence Force undertakes focused evolution to remain relevant to meet current and future needs.

Key focus areas of change:

- Matching capability development to future environment
- Ensuring we maintain or improve interoperability with a wide range of partners including foreign defence forces

S3

Excellent organisational performance supporting the Defence Force operations

Intent: The Defence Force is efficient and effective. The Defence Force will be integrated and 'organisationally excellent'.

Key focus areas of change:

- Reform in governance and business structure
- Skilled personnel in management positions
- Maintain a continuous improvement environment
- Allow others to deliver non-core functions where beneficial
- Resource allocation is optimised through the Defence Force becoming an intelligent customer and high performing contractors and partners delivering successful innovations
- Transforming the way we train, sustain and deliver capabilities by operating in an integrated manner
- Measurable improvements in productivity and performance have been achieved.

W4

Train for operating in a Joint, Interagency, and Multinational (JIM) environment

Intent: The Defence Force will undertake comprehensive training and conduct planning within a JIM framework to be effective in contemporary and future environments.

- Develop a coherent approach to the Southwest Pacific, New Zealand, and Southeast Asia
- Improve Command and Control (C2)
- Enhance our safety in training.
- Enhance training to operate as a JATF and within a JIM environment.
- Create the JATF by 2015
- Regenerate from land deployments in the short term
- Regenerate Navy / Air capabilities.

W5

Integrate the Defence Force

Intent: Integrating key functions of the Defence Force will lead to improved operational effectiveness and increase the sustainability of certain trades.

- Create the Joint Support Force (JSF)
- Create integrated initial training
- Improve the sustainability of force elements through better use of personnel.

W6

Apply foresight to capability development

Intent: Integration of personnel, equipment and training to deliver more flexible and relevant future capabilities. Decisions on future capability will be enhanced by focusing on future operating concepts.

- Develop 10 and 25yr insight across PRICIE (personnel, research and development, infrastructure, concept of operations, information technology, equipment and logistics)
- Develop future operational concepts and input into Defence White Paper
- Innovate future delivery of capability.

W7

Invest in the Defence Force capability

Intent: Provide CDF with the ability to fund the operating costs of new capability being introduced, maintain current capability, and ensure that funds are available to close performance gaps.

- Develop investment plan to maximise the effect of our Operating and Capital Expenditure (OPEX and CAPEX)
- Fix short term OPEX shortfalls
- Eliminate low value or wasteful activities.

W8

Enable the Defence Force to win on operations

Intent: Enable timely capability generation and support to the Defence Force through an aligned, strong, efficient and effective organisation that makes relevant, timely and clever decisions.

- Improve processes
- Develop information systems
- Align our business model to support the strategy led by HQ Defence Force
- Create organisationally excellent enablers.

M9

Recruit and retain the right people

Intent: The Defence Force has people with the right skills to meet both force element and business role requirements to meet future challenges.

- Be an organisation that people and their families want to be a part of
- Defence Force personnel able to transition easily between civilian, military, reserve, full and part-time, and outside the Defence Force
- An aligned Defence Force culture
- Develop an integrated approach to learning and development

M10

Equip our forces

Intent: Ensure the Defence Force will have the equipment to deliver, in the near term, a JATF and have strengthened its capabilities by 2035.

- Enhance the availability of key platforms
- Improve the introduction into service and through-life support of equipment

M11

Optimise our infrastructure

Intent: The Defence Force real estate portfolio is optimally aligned to meet future Defence Force needs. IT infrastructure is capable of supporting the Defence Force and developed to ensure appropriate ICT capability is in place to support future military capability and future corporate systems.

- Improve our ability to invest in the right infrastructure – reduce costs
- Improve utilisation of our Estate
- Improve resilience of our ICT
- Enhance our connectivity

COURAGE

COMMITMENT

COMRADESHIP

INTEGRITY

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Strategy to 2035

Our Strategic Priorities

People

To recruit and retain the right personnel through a flexible Total Defence Workforce approach.

Sustain Operations

To sustain operations, be prepared for the next likely contingency and provide military force options to meet New Zealand Government directives.

Joint Amphibious Task Force

To create a JATF by 2015 by bringing together and integrating all our current single service strengths. The Defence Force JATF will be able to conduct a wide range of tasks and meet the key requirements expected of it in the Southwest Pacific.

Reinvestment in Defence

To reduce and eliminate costs across the Defence Force to generate \$350-400m in savings which will be reinvested.

Joint Enablers

To support the development and delivery of core military capabilities and where there are clear benefits, adopt an integrated approach from initial training through to force element integration.

Strategic Priorities

On the previous pages we have shown how we plan to achieve our objectives over time. All strategic objectives are based on what our stakeholders expect of us, and we have attempted to future-proof the capabilities of the Defence Force.

There are key Defence Force strategies that will ensure we achieve our vision of Joint Operational Excellence, a JATF by 2015, Enhanced Combat Capability by 2020, and an Integrated Defence Force by 2035.

These strategic priorities will ensure we can mitigate the strategic challenges we face and meet our vision of Joint Operational Excellence. They are, in order of priority:

1. People
2. Sustain Operations
3. JATF
4. Reinvestment in Defence
5. Joint Enablers

1 People



Our Direction

The Defence Force is a people organisation. Against a backdrop of increasing change within our organisation, a progressively improving economy eager for skilled and qualified people, and ongoing fiscal pressure, we will need to focus on attracting and retaining the right personnel.

New Zealand's demographics are changing – we are getting older and more ethnically diverse – and our recruiting and HR policies need to align with these changes. The Defence Force needs to ensure that as an organisation people want to join and remain engaged, particularly as there will be increased pressure on New Zealand's labour force. The Defence Force will continue to refine its people capability strategy to support the attraction and retention of personnel.

Through the reform policy outlined in the Defence White Paper, we are changing our operating model for delivering current and future outputs.

As part of this reform, CDF's authority has been reinforced and in the future the CDF will appoint Service Chiefs. A Chief Operating Officer has been appointed as a deputy in managing the Defence Force as an organisation. The Defence Force is operating as a single entity with the headquarters providing strategic direction to the Services. Most functions have been centralised and future intent is to integrate further.

Our current challenge is retaining our personnel and their families, and ensuring that we have the right personnel to deliver outputs.

Further to these challenges, the Defence Force is planning on the cost of personnel to remain relatively static out to 2020 with salary inflation offset by savings.

Our Objective

To recruit and retain the right personnel through a flexible Total Defence Workforce approach.

Critical Activities:

- In the short-term we need to enable the Defence Force to recover personnel numbers, and to rebuild engagement, trust and mitigate the extensive change process we are undertaking.
- An organisational cultural audit to ensure a culture that fully supports F35.
- Develop policy that reduces barriers to people moving in and out of the Defence Force, or between full or part-time employment, or between regular force, reserves, or civil staff.



Coming full circle

The Navy's new Defence Communications Group, senior communications advisor Mark Sleeman isn't just well qualified for the role, he's a natural fit. His story also highlights the type of flexibility of the Total Defence Workforce approach hopes to capitalise upon.

Mark has a BA majoring in mass communications from the University of Canterbury, worked in large government agencies like the Ministry of Social Development, handling public information around issues including the welfare implications of the first Canterbury earthquake and Pike River disaster, before running the public relations for large events for the new Auckland Council.

That he 'gets' what the Navy is all about though comes from the fact that he spent almost five years in the Navy, starting in the late 1990s. He served aboard Canterbury as a naval communications operator.

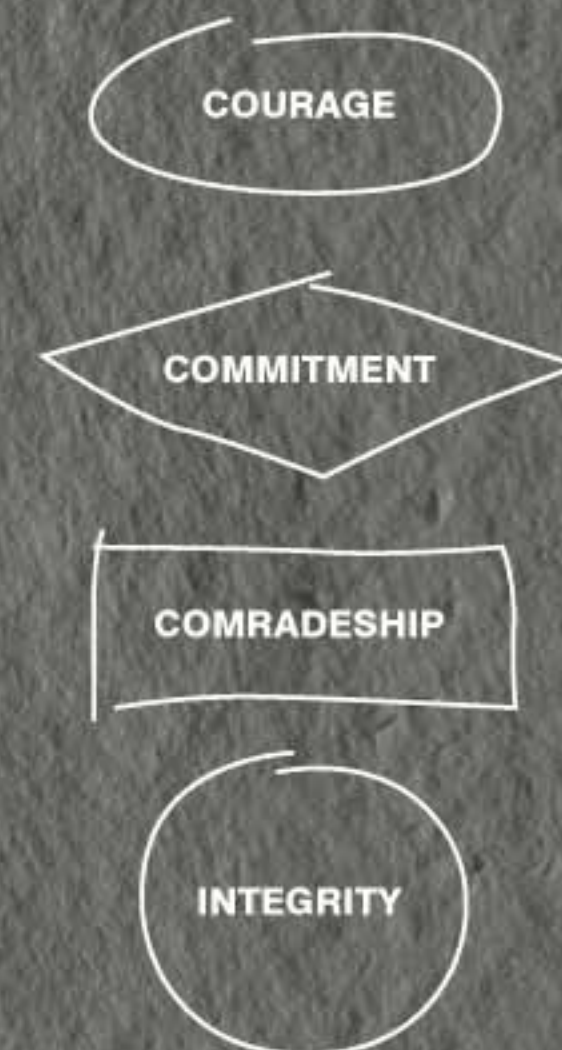
"I left the Navy at the right time for me, as I wanted to advance my education and try some new things," he says.

"Over the past decade I have had some really interesting communications roles, and that experience I am now bringing back to Navy. Once you've worn the uniform I think you always feel a part of the Navy. I feel what I've learned in the decade since leaving the Navy means I can contribute in ways I could never before."

Strategic Objective M9, with input into W4, W5, W7

Our Values

The Defence Force will achieve its vision through shared cultural values among its people based on the following four core tenets:



2

Sustain Operations



Our Direction

The Defence Force has more than 10 different operational missions. These missions require force elements operating either independently or as joint organisations. While our tasks in and around New Zealand and the Southwest Pacific are the starting point for determining military capability, we are expected to make credible contributions outside of these areas.

A key challenge in our region is the fragility of the Pacific Islands and the expectation other government agencies have of the Defence Force in contributing to the protection of our Exclusive Economic Zone (EEZ).

As a result, we plan to maximise the effectiveness of the operations we already conduct. The effect we expect to achieve is to:

- Increase our engagement and security cooperation in the Southwest Pacific
- Ensure we have capable force elements able to respond outside of the Southwest Pacific
- Have a comprehensive approach to securing our EEZ against future threats.

To do this our Command and Control of force elements will need to be optimised.

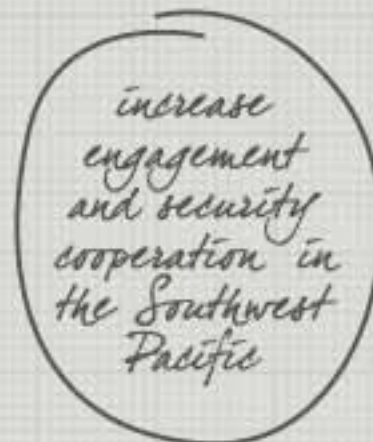
In the short term the Defence Force's challenge is to ensure it can regenerate from the three major operations in Afghanistan, Timor Leste, and Solomon Islands.

Our Objective

To sustain operations, be prepared for the next likely contingency and provide military response options to meet New Zealand Government requests.

Critical Activities:

- By the end of 2013 the major land deployed operations will have returned to New Zealand, and by 2014 we will have regenerated the equipment and capabilities.
- Improve the Defence Force's Command and Control of operational force elements.
- Regenerate Air and Navy force elements.
- Develop coherent approaches for our presence and response for the Southwest Pacific, Southeast Asia, and New Zealand.



“ At any given time, the Defence Force has between 300 – 1,000 personnel deployed on more than 10 different operational missions around the world. ”

Strategic Objective W4 with inputs into W5 and M9

Our core business

Being ready and able to respond, especially in the Southwest Pacific, is our core business.

Over and above our ongoing international deployments, significant events focused on the wider Pacific region during the 2012 included:

- HMNZS Otago conducted patrolling of the Cook Island's exclusive economic zone.
- Sea and air surveillance and patrol capabilities provided in support of Pacific Island states' maritime resource management and protection.
- A detachment of three Iroquois helicopters deployed to Papua New Guinea as part of an Australian Defence Force-led Combined Joint Task Force, providing assistance to the PNG Electoral Commission.

- A joint NZDF, ADF and US operation provided emergency water supplies to drought-stricken islands in the South Pacific.
- A 100-strong NZDF contingent delivered specialist healthcare services to the people of Samoa.
- Diesel fuel was supplied to Penhryn Island (Cook Islands), to guarantee domestic utilities.
- Some 76 activities were undertaken with South Pacific nations via the Mutual Assistance Programme (MAP).



Our Courage

Courage means being brave enough to do what one believes is right.



3

Joint Amphibious Task Force



Our Direction

Within the Southwest Pacific, the Defence Force has the capability to handle most threats either from the sea or land. The gap we have is the ability to operate from one of these domains to the other and sustain our forces using that sea – land (amphibious) skill.

To maintain and sustain our amphibious capability Defence Force elements need to be able to operate as part of another country's amphibious force and in a higher combat threshold.

Furthermore, in today's environment, Defence Force elements need to operate as a joint force, with other agencies (governmental and non-governmental), other nations and also be able to respond effectively within the Southwest Pacific. The Defence Force will evolve its future force structure and focus on its ability to operate more jointly, although not exclusively as it must still have the ability to operate and provide force elements for operations outside the Southwest Pacific.

Our Objective

To create a JATF by 2015 by bringing together and integrating all our current single service strengths. The Defence Force JATF will be able to conduct a wide range of tasks and meet the key requirements expected of us in the Southwest Pacific.

Critical Activities:

- Align the major exercises and activity schedule to train more jointly and conduct two major exercises (Southern Katipo 13 and 15) to test and assess the Defence Force JATF capability.
- Establish the Deployable, Joint, Interagency Amphibious Task Force HQ (DJATF HQ).
- Improve individual and collective knowledge in amphibious operations.

“ To realise the JATF 2015 capability the Defence Force must therefore be proficient in working as individual elements in other amphibious task groups and also proficient at working effectively as a fully functioning New Zealand-only task group. ”

A taste of JATF future

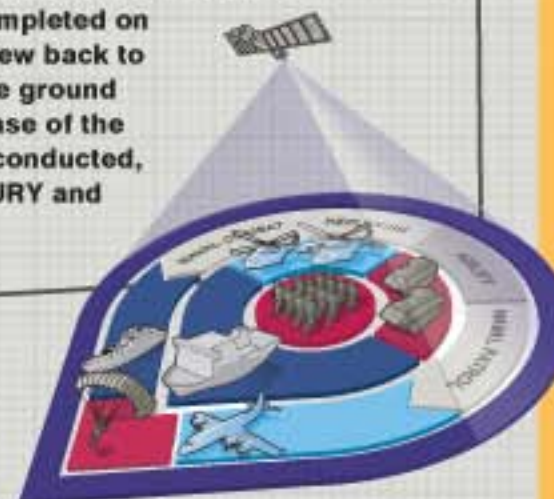
Recently Alpha Company, 2/1 Battalion, with an attached Canadian platoon, deployed to Australia to train with HMNZS CANTERBURY, and the Royal Australian Navy and Army on Exercise SEA LION. The deployment provided opportunities to train and learn with other nations in a joint amphibious environment and enabled Alpha Company to develop some of the skills required to operate successfully in a Joint Amphibious Task Force.

The company was welcomed aboard the HMNZS CANTERBURY by the Ship Amphibious Landing Team Warrant Officer, and quickly settled into a routine. On board the ship the company conducted battle preparation including intelligence updates from the HMNZS CANTERBURY S2 on the situation in the Area of Operations, company HQ planning, orders, and individual preparation for deployment.

The amphibious operations comprised a day-time Non Combatant Evacuation Operation (NEO) and a dawn raid on an enemy camp. Alpha Company was deployed from ship to shore by RNZN and RAN landing craft. As part of the NEO 1 Platoon secured multiple beachheads, 2 Platoon dealt with the expected influx of displaced locals at the Evacuation Assembly Area, and 3 Platoon and the Canadians provided flank security. Once the NEO was successfully completed, the company withdrew, carrying all equipment to a secondary sea port to link up with HMNZS CANTERBURY.

The next day the company re-deployed pre-dawn to clear an identified enemy camp. At dawn, 3 Platoon, supported by the Canadians, broke into the enemy position. At the same time, 1 and 2 Platoons maintained blocking positions to the south and north. Exercise casualties were withdrawn shipside, allowing the ship's company an excellent opportunity to practise their joint casualty evacuation drills for the first time.

Once the tactical site exploitation was completed on the enemy camp, the raiding force withdrew back to HMNZS CANTERBURY, having been on the ground for less than two hours. With the land phase of the joint amphibious operation successfully conducted, the company boarded HMNZS CANTERBURY and steamed for Townsville.



Strategic Objective W4

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Strategy to 2035

Our Commitment

Commitment means loyally serving the interests of the Defence Force and the New Zealand Government. Commitment requires personnel to work together as one team in serving the interests of all New Zealanders. This requires individuals putting others before self when necessary. The CDF, single Service Chiefs and Joint Force Commander are committed to working together for the well-being of all Defence Force personnel.



4

Reinvesting in Defence



Our Direction

A wider challenge to the Defence Force, as indicated in the Defence White Paper, is that affordability is a key component in ensuring the Defence Force has the right mix of capability and policy to meet government expectations. In the current fiscal environment, government's expectations are that the Defence Force will remain within its appropriations and not be seeking extra operating funding until at least 2016. Against this backdrop, the Defence Force is still expected to generate the capability that was outlined in the Defence White Paper and deliver outputs.

The Defence Force is required to deliver savings of \$350-400 million by FY14/15. There are risks in realising this amount and constant review of all activities is required to remain on target. Across the entire Defence Force choices and cost reduction activities have to be undertaken to ensure the savings will be realised.

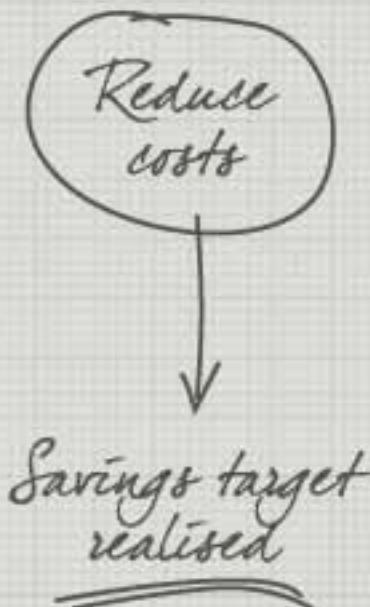
The savings are available to the Defence Force for reinvestment. Reinvestment priorities include: covering the operating cost of new equipment purchased, covering inflationary pressures (including the recent investment in remuneration) and covering depreciation costs.

Our Objective

To reduce and eliminate costs across the Defence Force to generate \$350-400 million in savings which will be reinvested.

Critical Activities:

- Defence Excellence (Dx) is a long term programme that will provide leaders with the tools and methodologies to enable them to drive a different way of thinking and working as an organisation.
- Develop a longer term 2050 view on the Defence Estate that supports future capability requirements.
- Undertake a 'quick wins' campaign to implement immediate action on estate issues that can be rectified quickly.
- Cost reduction activities within training, personnel and current assets.
- Consolidation of our logistics.



Strategic Objective W7 with input into W5, W6, W8, M9, M10 and M11

Re-investing in our personnel

This year, we were able to inject \$45 million into a remuneration package made possible only by the savings achieved through the transformation and reform programme.

In addition, we have allocated up to \$40 million in a one-off buy-back or buy-out of specific entitlements and conditions of service that are being phased out.

This isn't an across the board pay rise, but I believe this package is fair for all service personnel and civilian staff. These changes bring all Defence Force personnel's pay up to the midpoint of the appropriate published 2012 market data. While there are changes to the various parts of the remuneration package that may affect people differently, the vast majority of personnel will get an increase. The total remuneration of those already above the midpoint is being protected.

Behind these changes is my desire to be fair to all our personnel and my commitment to reinvest in you.

Chief of Defence Force

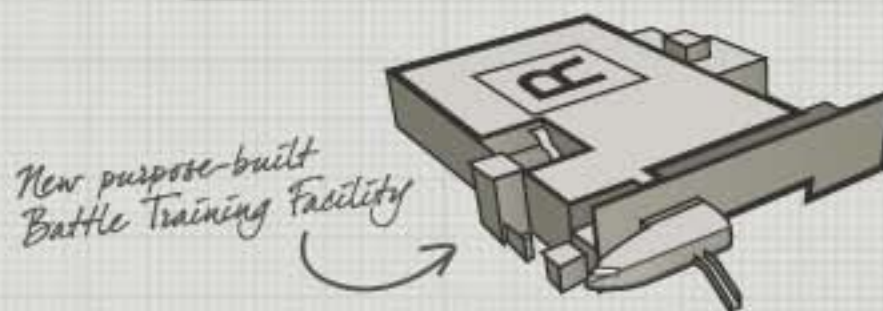
New investment in battle training facility

New Zealand's special operations forces are getting a new purpose-built Battle Training Facility (BTF), Defence Minister Jonathan Coleman recently confirmed. This type of investment in capability was promised in the Defence White Paper, and is possible because the Defence Force has reprioritised spending to its frontline.

The new BTF will provide our forces with a realistic, flexible, multi-use live fire training environment. The existing training facilities in Papakura are now 30 years old and are effectively obsolete.

The goal is to ensure that New Zealand's forces have access to modern facilities which allow them to train to international standards.

The new BTF will include facilities for all-weather training, live firing, and multiple direction approaches including use of helicopters.



Our Comradeship

Comradeship means embracing the bonds of friendship as both a necessity and a benefit of the job.



5

Joint Enablers



Our Direction

Over the next 25 years the Defence Force will need to continue to provide operational excellence. Core military capabilities in the land, maritime and air environments require professional mastery at the leading edge of delivery.

The Defence White Paper outlined that the Defence Force needed to undertake reforms to ensure resources were reallocated to enhance military capabilities. While the policy provided the Defence Force with the intent, the ways and means to achieve this policy have been reviewed across the Defence Force.

As a result, proposals have been developed to ensure resources are more efficiently utilised to generate combat capability. The Joint Enablers strategy is about making the delivery of certain functions more effective in creating sustainable force elements. It meets the intent of the policy outlined in the Defence White Paper.

Joint Enablers is one way to make the Defence Force more effective. By identifying key areas on which to focus our integration efforts we will realise economies of scale that will enhance the effectiveness of selected capabilities. Other benefits will be the improvement of skill levels and flexibility for our personnel in employment options. Joint Enablers will reduce duplication, while at the same time increasing depth within certain critical trades and ranks.

To make this enduring and to ensure that the Defence Force is aligning its culture, an early adoption of initial training conducted in a joint environment will provide the longer-term benefits of the Joint Enabler strategy.

Our Objective

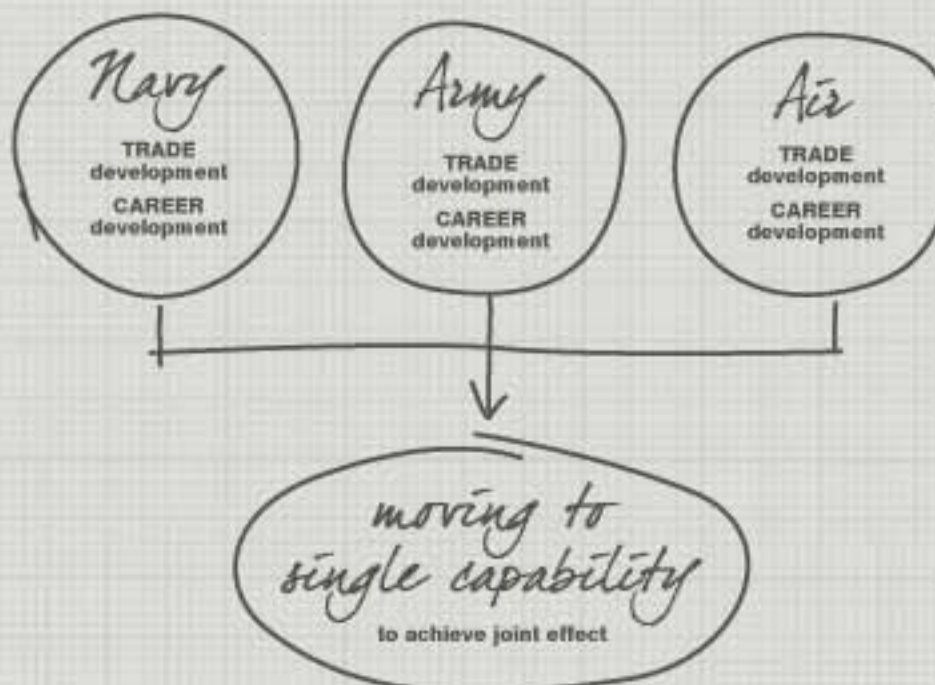
To support the development and delivery of core military capabilities and where there are clear benefits, adopt an integrated approach from initial training through to force element integration.

Critical Activities:

- Create the environment to develop greater integration of force elements by establishing initial training for all Defence personnel.
- Integrate those force elements where there is a clear benefit to the Defence Force.

adopt an integrated approach

EXAMPLE SCENARIO



A more joined-up way of working

The three single Service strategic communication heads didn't wait for any Administration Instruction to get together and understand where they needed to be heading in the new strategic environment.

Their objective was to understand how the Defence Force was going to function in the operational area and then shape their organisations to achieve this.

They began thinking about and deciding how to coordinate their trade development and career development, creating a single Defence Force capability around operational communication.

This was done by three people who understood where the Defence Force was going, understood the intent, and as the experts in their area, used their power to make things happen.

It is a taste of the future as far more of the Defence Force's national support elements and national command elements tasks are going to be delivered in a more joined-up way.

Strategic Objective W5 with inputs into W4 and M9

Our Integrity

Integrity means acting honourably to bring credit to the Defence Force and New Zealand. This requires all individuals within the New Zealand Defence Force to be transparent in their dealings with each other and consistent in the performance of their duties. The CDF, the single Service Chiefs and the Joint Force Commander will lead with integrity.

Acting honourably



Organisational Alignment

The Defence Force has changed the strategic alignment process. Previously the three Services through the CDF developed strategies that delivered Land, Maritime and Air capability. Now that the Defence Force has articulated its strategy and developed a roadmap to 2020 the Land, Maritime and Air strategies need to be aligned to it. These strategies will be used to determine how the rest of the Defence Force supports the delivery of these strategies. The following outlines the key expectations required of the Services to deliver the Defence Force Strategy.

Land

To meet the Defence Force's strategic objectives, the Army will need to focus on the following in the near term:

- Regenerate from Timor Leste, Solomon Islands and Afghanistan
- Support the development of the JATF
- Support the creation of the Joint Support Force
- Support the ability to retain personnel.

In the mid-term, the Army will need to plan:

- Supporting the combat capability enhancements of the Network Enabled Army, mobility upgrades and weapon replacements
- Operationalising the Joint Support Force to support operationally deployed forces
- Maturing the Joint Initial Training approach.



Constraints

Overall:

- Unlikely to receive any new funding from the government in the short to medium term.
- Government expects the Defence Force to deliver \$350-400M of sustainable savings.

Operating cost:

- Previous acquisitions (NH90, Orion upgrade, DFSW) and inflationary pressures (current and future remuneration increases, fuel and ammunition cost increases) will consume much of the savings available for reinvestment.
- The Defence Capability Plan results in increased depreciation costs that, without new funding, must be covered by reducing current expenditure on personnel or other operating costs.

Maritime

While still completing the introduction into service of the Protector Fleet and conducting remediation on HMNZS Canterbury, the Navy will in the near term:

- Support the development of the JATF
- Improve the sustainability of ships at sea
- Support the creation of the Joint Support Force
- Improve the ability to retain personnel.

In the mid-term, the Navy will need to plan:

- Supporting the combat capability enhancements of the Frigates.
- Maturing the Joint Initial Training approach.



Air

Air is still undergoing a major transformation in capability. While the introduction into service of the NH90 and upgraded P3 are still in train, the RNZAF will focus on this. Over time its outputs delivery will increase. In the near term the RNZAF will:

- Support the development of the JATF
- Support the creation of the Joint Support Force
- Improve the ability to retain personnel.

In the mid-term, the RNZAF will need to plan:

- Continue to develop its recently acquired capabilities, support Land and Maritime combat components in enhancing of their combat capability
- Support the review of air transport and surveillance
- Maturing the Joint Initial Training approach.



Defence Amendment Bill

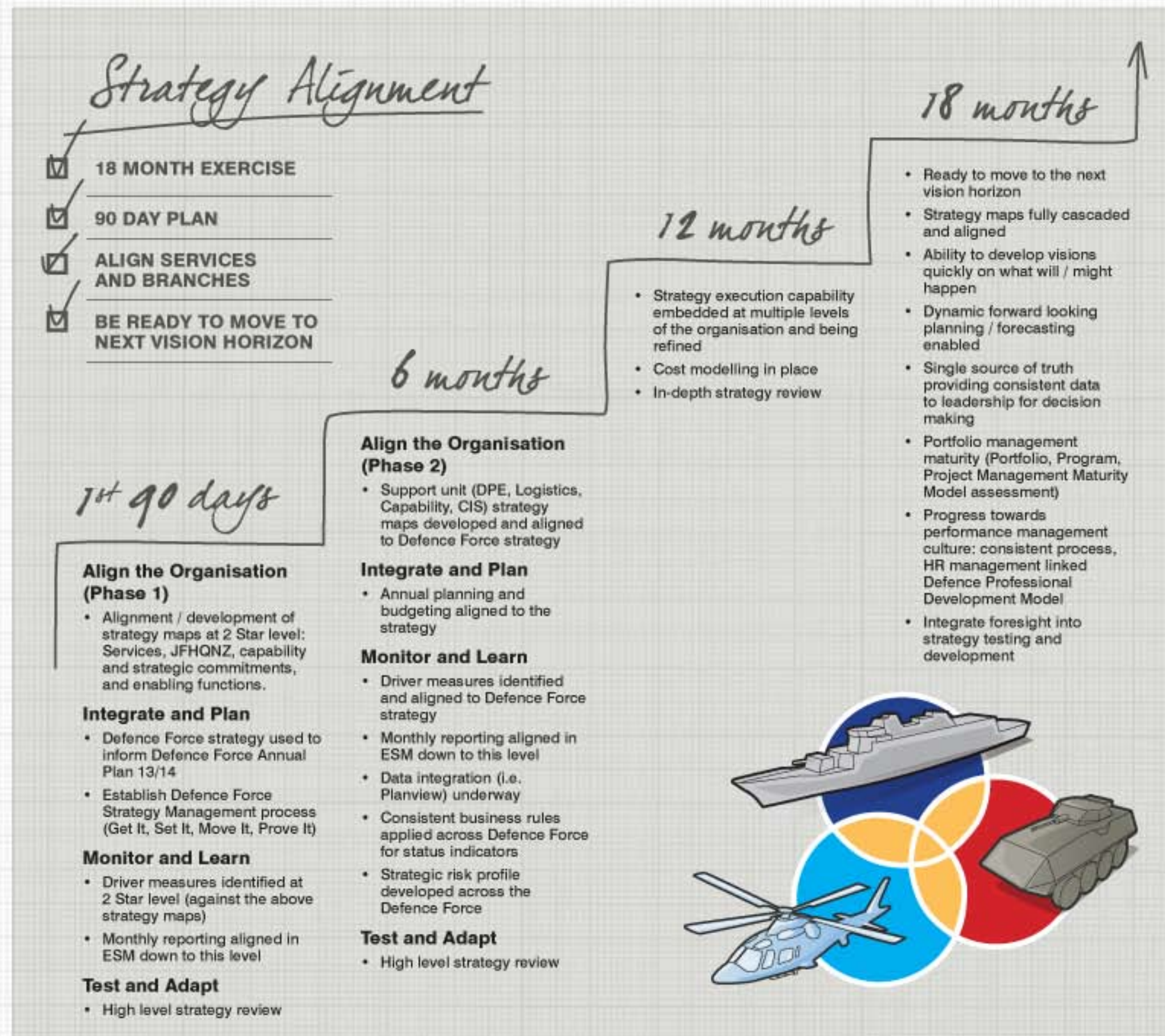
Currently before Parliament is the Defence Amendment Bill which amends the Defence Act 1990. This Bill implements government policy set out in the Defence White Paper 2010 and gives the Defence Force and the Ministry of Defence the powers they need to meet the White Paper goals:

- Through the Bill, the Chief of Defence Force (CDF) will formally command the armed forces rather than doing so through the Chiefs of the three Services.
- The Bill provides for the Vice Chief of Defence Force (VCDF) to become a statutory appointment.
- The Chiefs of Service, will no longer be appointed by the Governor-General in Council, but will be appointed by the CDF following consultation with the Minister. This development will reinforce the position of the Chief of Defence Force as direct commander of each of the Services.

Strategy Alignment Maturity Model

Following the release of the strategy there is a requirement to deploy the strategy and ensure alignment occurs across the Defence Force. The following diagram outlines our alignment maturity model. This will be an 18 month

exercise with a 90 day plan to ensure the Defence Force strategy is used to inform the Land, Maritime, Air, capability and strategic commitments, enabling functions and joint strategies.



Risk

The very nature of our work requires us to have a thorough approach to risk management at both the operational and strategic level. Our risk management framework ensures that we have consistent processes in place to identify and assess the risks to achieving our strategic objectives and to mitigate these risks while pursuing opportunities.

Risks to our strategy relate to: technology changes, the alignment of investment priorities, delivering the necessary efficiencies to afford proposed investments, having people with the required skills / experience at critical times and how we manage the pace and scope of change within the organisation.

Risk treatment strategies and risk treatment owners have been assigned to each strategic risk. Progress with treatments will be monitored on a quarterly basis and reviewed by Defence Force leadership. The quarterly reviews will include determining whether current strategy initiatives will deliver the required outcomes. Where necessary, risk treatments and / or strategies will be amended.

Road Map

