

CDF speech to Defence Industry Association – 17 November 2015

**Ko te Ope Kātua o Aotearoa
e!**

We are the NZ Defence Force!

He toki nā Tū

We are the instruments of Tūmatauenga (We fight on the battleground)

He toki nā Rongo e,

We are the instruments of Rongo-ma-Tane (We carry out peace missions)

Tihei Mauri Ora

Alas, the breath of life

Tena Kotou...Tena Kotou...Tena Kotou Katoa

Good afternoon to you all.

It's great to be here today and it is a real privilege for me to represent our Chief Of Defence Force, LTGEN Tim Keating and present his message to you.

This is my first NZDIA Conference out of uniform after having been involved in a uniformed capacity in it since 2002. The amazing thing is that it feels no different

standing here before you as an NZDF civilian – I know I remain in the company of good people and organisations' doing right by NZ Defence and therefore New Zealand and her citizens...no matter what some... who don't believe...say or do.

I would like to acknowledge Mr Bernie Diver, Chair of the NZDIA, his staff and the staff of the Ministry Of Defence and NZ Defence Force for putting this conference together for us all.

To Greg Lowe, Chair of the New Zealand Defence Industry Advisory Council can I acknowledge your efforts in joining up industry capability and capacity...the supply... with Defence's demand.

Can I also acknowledge all our distinguished guests and guest speakers who will present their own unique perspectives on what it means to supply goods, services or just plain old good advice to NZ Defence.

I want to start off this address by contextualising for you, the role of the New Zealand Defence Force.

I then want to touch on some of the changes that the organisation has been making as we look to the future, and talk about our partnership and engagement with industry.

Currently we have around 14,000 full and part-time servicemen and women, and civilian staff.

Essentially, the New Zealand Defence Force runs a small shipping line...a large trucking company... a large and complex international logistics firm...a small national and international airline...a large telecommunications company...a mid-sized DHB...a small police force and a mid-sized security firm and an Army.

We have an annual budget in excess of \$2 billion, or about 1 per cent of GDP. Over 60% of that spend is spent in New Zealand.

We sustain an asset base of about \$5 billion.

Our involvement extends from Cadet Forces to our Veterans from past conflicts -- ages ranging from 13 to well over 90.

We obviously have sailors, soldiers and air men and women -- but we also have scientists, policemen, administrators, chefs, IT specialists, mechanics and technicians, accountants, stores-people, fire fighters and teachers... to name but a few. The bulk of these are in uniform but equally valuable are those of us who serve as civilians...but then I would say that...wouldn't I.

We rely on a blend of diverse teams of specialists and experts to help us deliver what is expected of us by government.

We are New Zealand's sole provider of military know-

how and equipment which the country uses as a Force For Good in the world.

When New Zealand's interests are challenged through crisis, instability, human suffering, or by threats to the international rule of law, the men and women of the Defence Force are prepared to intervene using armed force.

But preparing and maintaining the people, equipment and organisational systems required to be a successful military force also lends considerable utility to other tasks in furtherance of the country's goals.

These tasks include:

- reacting to natural disasters, and participating in search and rescue;
- protecting our ocean resources;
- disposing of explosives;
- supporting conservation efforts;
- countering terrorism;
- deterring unwelcome intrusions; and,
- protecting New Zealand's trade routes.

In addition, we accept responsibility for delivery of a range of support to our veterans, and we assist Government in its goals to boost skills and employment

by sharing our leadership and development skills through a range of youth development programmes.

This is how the New Zealand Defence Force is directly contributing to the defence, security and well-being of the country.

Our purpose

If I were to sum up our purpose, I would say we are a Force For New Zealand.

Our story is about New Zealanders from all walks of life doing the extraordinary task of serving and working to secure New Zealand, her freedoms, and way of life.

Harnessing the collective skills and energy of all our people – Regular Force, Reserve Force and Civilian Force, and indeed our suppliers and contractors – starts from having a shared understanding of our purpose.

In the past 12 months we've taken some important steps clarifying our purpose, our vision and better understanding how ready our people are to achieve that vision.

In late 2014, after much internal soul searching and debate we introduced our Collective Purpose...that of being a Force for New Zealand.

While it is just a way of talking about the Defence Force's value to New Zealand, it was really about finding a way for everyone in Defence to connect and feel proud

of who we are, and what we stand for. It really is actually the 'title' of Defence's storybook.

So at the story's heart was recognising our collective effort as a Defence Force, and that together we are greater than the sum of our individual parts.

Inside our Defence Force we want to reinforce our passion and strength as a military organisation.

Our engagement with industry

As a military organisation, we need the equipment and services required to do the job required of us by government.

That's where you come in.

As a Defence Force we must provide our men and women with the means to do their job in an effective and efficient manner, and as safely as possible. In our game, there are no prizes, no silver medals for coming second.

Industry has a key role in helping us maintain a modern, well-equipped and capable Defence Force.

The defence of New Zealand is not achieved by Defence alone – New Zealand needs to work as a team.

Other government agencies and industry all have an important role in the Defence of our nation.

Industry is also a player – a partner...providing ideas, technology and services.

As an example of how much business involvement there is with Defence, we only have to look at the number of exhibitors at the Forum – there are nearly 60 booths featuring some 47 companies.

The NZDF puts a lot of emphasis on successful industry partnership to help us deliver the range of capabilities required of us.

We have found that successful partnering with industry:

- provides innovative outcomes;
- produces economies and efficiencies; and
- reduces some of our major cost elements such as the need to own capital equipment, or maintain an administrative overhead.
- exposes our people to a range of knowledge, skills and experience that we could not expose them to on our own.
- allows us to blend our workforce to maximise the capabilities and capacities of our uniformed people, our non-uniformed people, our supplier, our contractors and our consultants.

Through building strong relationships and partnerships, the Defence Force works constructively with companies small and large to deliver on the requirements of us.

A significant proportion of goods, services and base support for the Defence Force is now provided by industry.

We have about nine what I would call “strategic contracts”, each with a spend of in excess of \$20 million per year.

These are a mix of commodity-based contracts for the likes of fuel and photocopying, service-based contracts for maintenance repair and overhaul, and consultancy contracts in the ICT and knowledge and information spaces.

Our catering and property maintenance contractors employ over 900 direct staff around the country.

Our three key maintenance, repair and overhaul companies – Babcock, Safe Air and Lockheed Martin, employ over 600 people on our sites.

Through innovations from companies like Fuji Xerox, we have been able to embark on an additive manufacturing journey.

Through engagement of our consulting partners, Deloitte, BECA, PriceWaterhouseCoopers, Ernst & Young, LPS and so on we can gain knowledge through reaching back into large, global warehouses full of

information, knowledge and experience which allows us to draw on the best practices and adapt them to suit a small country's Defence capability.

In addition, all of these companies engage a significant number of sub-contractors to deliver for Defence.

The commitment, understanding and trust between the Defence Force and its suppliers is crucial to ensuring that we have a strong and prepared military into the future.

Our suppliers are now an integral part of what I would loosely call our 'blended workforce', and are true enablers of what our forces do for New Zealand now and will do in the future.

I guess the point to take away is that with military technology today, the increasing pace of technological obsolescence and the eye-watering pace of technological change, we are simply too small to work alone – we need industry involvement and input to help us at the very least keep up but better, get ahead and stay ahead.

Our 2020 Vision

I want to touch now on our vision looking out to a horizon five years from now.

The articulation of the journey we are on together as a Defence Force is our 2020 vision.

This is all about enhancing our combat capabilities.

As a military, it means being better prepared and better able when we put people in harm's way.

It's about being better at understanding and operating in complex environments.

It's also about representing New Zealand at home and overseas with professionalism and commitment; being ready to defend our security and advance New Zealand's reputation.

We want to enable our people to do these things well, so we are investing in our people – because stronger individuals mean a stronger Defence Force.

Our '2020 READY' message sets out how we will do this over the next four years.

It is built around four themes: Better Tools; Better Support; Better Informed and Better Together.

The 2020 themes combined are a significant investment in our people, systems and platforms leading to Enhanced Combat capabilities.

Better Tools is about equipping our people with the tools to operate now and in the future.

It means investment in credible combat capabilities that can operate in a range of environments and with our coalition partners.

It means the right training and personal equipment for everyone.

And it means having the tools to constantly improve on how we deliver on our mission.

By 2020 we will have new weapons, new radios and new kit – upgraded frigates, Light Armoured Vehicles and a new helicopter fleet in operation. With the Ministry Of Defence, we will be deep into the planning for replacements to the C-130 Hercules and P-3 Orion fleets.

In 2020 we will be **better at supporting** our people.

We're focused on improving health, wellbeing, career development, leadership and the way we support veterans.

To make a difference at times of crisis and conflict, we need to understand and adapt to all sorts of situations.

We need good information and to be well informed.

Better Together is about combining our strengths and skills as individuals to achieve our collective purpose – it's about recognising our value as A Force for New Zealand.

Better Together means working in a more integrated way – in units, across our three services, with local agencies and with our international partners.

We will keep getting better at operating our Joint Task Force approach and working with government partners.

My main message about our shared vision for the next five years is that we cannot do it without taking all our people with us.

Leadership

I want to turn now to leadership.

Leadership is vital in the Defence Force because in battle, soldiers, sailors and aviators need to have confidence in their leaders such that they trust them with their lives.

It is our fundamental purpose to lead, train and equip our people to win.

In our line of business, there are no prizes for second place; - if you're second you've lost.

So we develop leaders to think smart, to innovate, to influence others, to build and work in teams and to develop a leadership culture.

This means individuals and especially our leaders have to work hard to lead.

We hold people accountable for their actions.

We expect our leaders to both follow and enforce our rules, universally and with consistency.

Leaders are expected to be self-starters, and strive for excellence.

We expect our leaders to have integrity and be of the right character.

For us, character is based on our ethos of service to our country; and values that reflect the qualities that we all expect of each other on the battlefield – courage, comradeship, and commitment.

We expect our leaders to care enough to place the welfare of their people before their own.

They must respect -- and must earn the respect -- of their men and women; and their colleagues, through leading by example.

The challenge of change & breaking down silos

Think for a moment about New Zealand's geo-political environment – where we have to be ready to deliver for New Zealand.

The last Defence White Paper succinctly describes the issue this way:

*New Zealand's defence circumstances are unique.
No other country of comparable size and political*

and economic standing has at a minimum to be able to deploy defence equipment and people from the equator to Antarctica.

So we have to think smart; use our resources well; and squeeze utility out of our ships, or fighting vehicles or aircraft that perhaps other nations don't.

We have a distinct advantage here – we are small and therefore quite agile. We can embed change far quicker than some other militaries and we can afford to 'fail fast' and adapt if a particular solution doesn't deliver what we thought it would.

And we believe that we have to maximize the talent we have across the Defence Force, to put against any task.

Hence the cultural journey we are on as a Defence Force which is quite deliberately aimed at breaking down our silos or stovepipe mentalities.

And this can be challenging for our people.

There is no intention of doing away with single Services; of putting every one in beige uniforms.

The Single Services will remain the masters of their respective domains – maritime, land and air.

But responding to whatever the next 'crisis' is that challenges New Zealand's interests, we will deploy whatever capabilities best suits the situation.

The effect the New Zealand Defence Force can deliver for New Zealand, will be better from our Navy, Army and Air Force, if they understand and are practiced at working seamlessly with each other.

I hope I've been able to give you some overview about why we have a Defence Force today.

We couldn't provide the capabilities we do without our engagement and partnership with business and industry.

You are all valued contributors to Defence, whether that be with providing goods, services or just plain advice.

You are all part of the team that helps deliver the Force for New Zealand.

I'm thoroughly looking forward to the next day and a half – there is something for everyone in the 2015 NZDIA Conference agenda. For me, not the least of these opportunities is being able to re-acquaint and reinforce enduring relationships and create new ones for the future.

In its own unique way, the annual Defence Industry Conference allows us both, the decider and the provider...to position ourselves to be shaped for and therefore relevant...to the future.

Thank you.