



New Zealand
**DEFENCE
FORCE**
Te Ope Kātua O Aotearoa

TERMS OF REFERENCE

FIRST PRINCIPLES REVIEW OF THE
DEFENCE ESTATE FOOTPRINT

PURPOSE

1. This Terms of Reference sets out the purpose of the First Principles Review of the Estate Footprint (the Review), including the scope, approach, process, outputs and timeline; and the governance and stakeholder input required.
2. The Review will provide the Government with a long-term view of the New Zealand Defence Force (the Defence Force) Estate Footprint.
3. The Review will identify options for an Estate that is fit for purpose, provides stability and direction for the Defence Force, and enables delivery against Government and Defence Force strategies and priorities into the future.

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BACKGROUND

4. The Government's Strategic Defence Policy Statement 2018 affirms the priority it places on the ability of the Defence Force to operate. It recognises the important role the Defence Force plays in promoting the overall wellbeing and resilience of New Zealand, its communities, and the environment.
5. The Community, Nation and World framework of the Policy Statement also reinforces the Defence Force's contribution to global security and the maintenance of an international rules based order. Following a legacy of under-investment and deferred maintenance, the configuration of the Defence Estate (the Estate) is not fit to support these policies.
6. The Estate needs to provide operational capability with the necessary training, working, and living environments, and vital infrastructure critical for generating and maintaining the Defence Force's capabilities. The Estate has reached the point where improvements are critical for personnel working, living and training on bases and camps.
7. A fundamental reorientation of the Estate is required to ensure it is positioned to deliver the Government's policy and the Defence Force's long-term strategies. There will be continued investment to maintain and ensure a functional Estate in the interim. Investment by the Defence Force is being limited to critical investments or investments which have a low likelihood of becoming redundant once the Review is completed.

SCOPE

8. Cabinet has directed the Defence Force to undertake the Review to provide the Government with a long term view of the future of the Estate footprint [CAB-19-Min-0171.01 refers].
9. In this context:
 - 9.1. 'First Principles' means that the Defence Force will understand what fundamentals are non-refutable and required to achieve the functional outcome anticipated for the long term;
 - 9.2. the 'long term' will look at the Defence Estate Footprint requirements for the next 50 years, out to 2070; and
 - 9.3. the 'footprint' is the amount of space owned, leased, used or occupied (land, maritime, air, regional facilities and corporate) anticipated to meet Defence Force functions in 2070.
10. The scope of the Review is limited to:
 - 10.1. consideration of the future footprint of Defence Force, including identifying potential options for the location of camps and bases;
 - 10.2. consideration of the benefits and risks of the viable options against agreed assessment criteria; and
 - 10.3. high level assessment of costs with reference to previous studies and projects.
11. The Review will exclude:
 - 11.1. detailed site planning including the development of site master plans; and
 - 11.2. changes to committed and inflight investments.

APPROACH

12. The Review will incorporate resilience and security of tenure to ensure the Estate is future proofed, aiding long-term investment decision-making and greater certainty for Estate planning.
13. The Review will complete a comprehensive high level cost assessment, drawing on previous Estate studies and reports, without pre-determined outcomes, to identify consistent or reoccurring themes and information gaps to assist in the identification of options. In addition, site appraisals and determination of future capability and footprint requirements will be investigated, having regard to the capability intentions to 2035 outlined in the Defence Capability Plan 2019.
14. For capabilities that have significant estate implications, but which have yet to be agreed by Ministers (particularly those beyond 2035), the Review will document a range of potential future capabilities. Scenarios will then compare these future capabilities against factors shaping the world in the long term (for example, climate change/resource scarcity, rise of technology) to refine the list of options for analysis.
15. The Review is intended to support New Zealand's community and environmental wellbeing and resilience, and will therefore align with the priorities in the Government's 'Our Plan The Government's Priorities for New Zealand 2018', including:
 - 15.1. support thriving, sustainable regions;
 - 15.2. transition to a clean, green carbon neutral New Zealand;
 - 15.3. support healthier, safer and more connected communities;
 - 15.4. build closer partnerships with Maori; and
 - 15.5. create an international reputation we can be proud of.
16. The Review will assess the Estate against the Treasury Living Standards framework gathering information on the sustainability of its natural, financial, manufactured, intellectual, social and human capital.

PROCESS

17. The Review will be undertaken in the following three-phased methodology:
 - 17.1. Phase 1 - information gathering;
 - 17.2. Phase 2 - options development and appraisal; and
 - 17.3. Phase 3 - report and Cabinet paper process.
18. The Review will be conducted from an All of Government perspective (as per the governance arrangements outlined below). Each phase will involve stakeholder consultation aligned with the output required. Government agencies will ensure joint Ministers have input into the options selected for detailed development and assessment. Minister and joint Minister approvals are required before proceeding to the subsequent phase.
19. The Review will develop future scenarios for footprint options for the long term. Cabinet agreed [CAB-19-Min-0171.01 refers] to the following assessment criteria to test the range of viable options:
 - 19.1. the footprint aligns with known and anticipated Defence Force capability requirements;
 - 19.2. the footprint allows for flexibility in Estate design to incorporate changes in capability over time;
 - 19.3. the footprint provides tangible benefits and resilience to the Defence Force for the delivery of outputs;
 - 19.4. the footprint addresses encroachment pressures from third party competing land uses; and
 - 19.5. the footprint supports the Government's priorities including value for money and the Government's regional social and economic development goals.

OUTPUTS AND TIMELINE

20. The Review's principal output will be a recommended future footprint of the Estate.
21. The timeline for the Review is:
 - 21.1. a short list of footprint options will be submitted to the Cabinet Government Administration and Expenditure Review Committee (GOV) for consideration by 30 June 2020; and
 - 21.2. a Cabinet Paper on the outcome of the Review submitted by 30 September 2020 to GOV.

GOVERNANCE AND ADVISORY ARRANGEMENTS

MINISTERIAL OVERSIGHT

22. Cabinet has directed the following Ministers (joint Ministers) to oversee the Review:
 - 22.1. Minister of Defence (lead Minister);
 - 22.2. Minister of Finance;
 - 22.3. Minister for Urban Development;
 - 22.4. Minister of Housing;
 - 22.5. Minister for Regional Economic Development; and
 - 22.6. Minister for Infrastructure.
23. The joint Ministers will meet as required in accordance with the milestones set out in paragraph 24 of the Defence Estate Work Programme Cabinet Paper.

CROSS AGENCY GROUP

24. A cross agency consultation group will be established to align with the joint Ministers. Agencies will workshop options for detailed development and assessment. Drafts of the review outputs will also be circulated to the cross agency group for feedback. These government agencies are:
 - 24.1. The Defence Force (lead agency);
 - 24.2. Ministry of Defence;
 - 24.3. The Treasury;
 - 24.4. Ministry of Housing and Urban Development;
 - 24.5. Ministry of Business, Innovation and Employment (Regional Economic Development); and
 - 24.6. Infrastructure Transactions Unit (to be Infrastructure Commission later in 2019).

STAKEHOLDERS

25. Key stakeholders of the Defence Force will be consulted and / or informed in the Review to determine Estate functions in the future.
26. The majority of these stakeholders are listed on the New Zealand Defence Force Statement of Intent 2018-2022. Other relevant bodies will also be consulted and / or informed including Te Puni Kokiri, Land Information New Zealand, Ministry of Housing and Urban Development, Te Arawhiti, local government, iwi, and industry. The majority of these stakeholders will be consulted and / or informed post phase 1 of the Review and subject to relevance and interest.





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