



New Zealand Government

MINISTRY OF DEFENCE  
Manatū Kaupapa Waonga

# STATEMENT OF INTENT 2019-2023



Presented to the House of Representatives  
pursuant to section 39 of the Public  
Finance Act 1989

Published in August 2019 on the Ministry  
of Defence website: [defence.govt.nz](http://defence.govt.nz)

ISSN: 2463-6436 (Online)

Crown Copyright © 2019



This copyright work is licensed  
under the Creative Commons  
Attribution 4.0 International  
licence. In essence, you are free  
to copy, distribute and adapt the work, as long  
as you attribute the work to the Crown and  
abide by the other licence terms. To view a  
copy of this licence, visit  
[creativecommons.org](http://creativecommons.org).

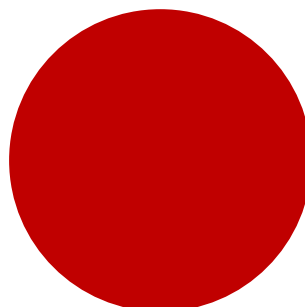
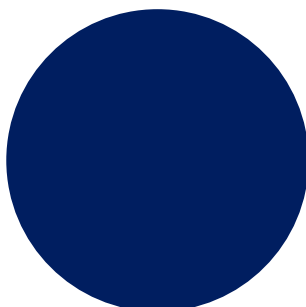
Any use of flags, emblems, names or words  
protected by the Flags, Emblems, and Names  
Protection Act 1981 must not infringe on the  
provisions of that Act.

Image: construction of the maritime  
sustainment capability – the HMNZS *Aotearoa*  
– in Ulsan, Republic of Korea

Cover image: the HMNZS *Manawanui* dive  
and hydrographic vessel



# CONTENTS



Foreword by the Minister of Defence	5
Introduction by the Secretary of Defence	7
The Government's direction for Defence	9
Who we are	13
Our role and functions	14
How we work	15
Our customers	17
Vote Defence	18
The defence operating environment	19
Our strategic direction	21
The Ministry's strategy	22
What will success look like in four years?	22
The Ministry's strategy summarised	23
Our strategic priorities	24
Our capability	41
How we are organised	42
Our stewardship priorities	43
Our people: making sure every person counts	44
A more diverse Ministry	44
Partnership: delivering defence capability	47



# FOREWORD

## BY THE MINISTER OF DEFENCE

In June 2019 the Coalition Government released the *Defence Capability Plan 2019*. The Plan sets out the indicative investments that will provide the New Zealand Defence Force with the capabilities needed to meet the challenges identified in the *Strategic Defence Policy Statement 2018*.

The Plan maintains the envelope of \$20 billion investment in the Defence Force out to 2030, recognising that \$5.8 billion has already been committed, including for the procurement of the P-8A Poseidon aircraft, HMNZS *Aotearoa* and HMNZS *Manawanui* which are now underway.

Capability decisions need to consider the fundamental changes to the ways in which militaries operate. For these reasons planned investment includes space-based systems, intelligence capabilities and semi-autonomous and remotely operated technologies.

Replacing the five Hercules transport aircraft is the highest priority project within the *Defence Capability Plan 2019*, and I look forward to receiving in 2020 detailed costing information for the C-130J-30 Super Hercules as replacements.

The signalled capability investments will support the foreign policy objectives in the Government's Pacific Reset and responding to the impacts of climate change, which will continue to test the security and resilience of our community, nation, the South Pacific and world.

The *Strategic Defence Policy Statement 2018* identified that New Zealand is navigating an increasingly complex and dynamic international environment.

We have an obligation to meet our commitments to our partners and uphold and represent our nation's values globally. New Zealand's international Defence engagement activities and deployments play



an important role in enhancing New Zealand's security and foreign policy objectives.

The Ministry's regular focussed assessments on emerging issues ensure Defence is able to keep pace with changes in the international strategic environment and their possible implications for New Zealand's interests and Defence Force capabilities.

I am confident that the Ministry will rise to the challenge of delivering the *Defence Capability Plan 2019*. It is imperative that the Government has confidence in the Defence agencies to deliver investments successfully. The improvements made in the Defence capability management system will help ensure Cabinet is provided with robust advice and is fully informed and aware of all the implications of the proposed investments.

There is no greater responsibility for a government than when deciding to deploy our uniformed women and men overseas.

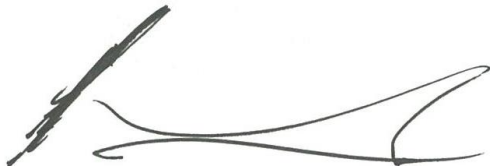
As Minister of Defence I am committed to ensuring that New Zealand Defence Force personnel have the best equipment available to them to carry out their duties.

A handwritten signature in black ink, appearing to read 'Ron Mark'. The signature is fluid and stylized, with a long horizontal line extending to the right.

Hon Ron Mark  
**Minister of Defence**

## MINISTERIAL STATEMENT OF RESPONSIBILITY

I am satisfied that the information on strategic intentions prepared by the Ministry of Defence is consistent with the policies and performance expectations of the Government.

A handwritten signature in black ink, appearing to read 'Ron Mark', with a long horizontal flourish extending to the right.

Hon Ron Mark  
**Minister of Defence**

# INTRODUCTION

## BY THE SECRETARY OF DEFENCE

The Ministry of Defence, Manatū Kaupapa Waonga, *Statement of Intent 2019-2023* provides the opportunity to clearly articulate our strategy and to outline to the New Zealand public our priorities as an organisation.

The *Defence Capability Plan 2019* provides the Ministry with a clear plan for the delivery of future investments for Defence for the next 15-20 years.

The Plan provides a vision for the capabilities that will deliver on the *Strategic Defence Policy Statement 2018* and for an enhanced and sustainable Defence Force that is well positioned to deliver to the community, nation and world for decades to come.

Some of these investments, like the purchase of the P-8 Poseidon aircraft and C-130 Hercules replacement, are once in a generation decisions for Government.

By delivering the *Defence Capability Plan 2019* the Ministry will give effect to the Government's policy intentions, acknowledging a commitment to safeguarding and providing resilience for the nation's wellbeing.

The Ministry will ensure that the Plan is delivered in a fiscally responsible manner. Indicative capabilities and costings will be subject to robust scrutiny prior to Cabinet consideration of business cases.

In line with Government expectations the Ministry will operate in ways that maintain public trust and confidence, and embody and promote New Zealand values.

We will work to ensure that New Zealand remains secure and prosperous, is a credible and trusted international partner and that Defence is prepared to address future challenges.

Defence supports New Zealand communities, our Pacific Island neighbours, and our interests in the Southern Ocean and in Antarctica. A greater focus on our immediate neighbourhood



through the Pacific Reset has raised the priority placed on the Defence Force's ability to operate in the South Pacific to the same level as New Zealand's territory.

Through the Defence Capability Change Action Programme the Ministry has implemented a range of improvements to the capability management system so that it is capable of delivering an expanding portfolio of projects. Embedding and sustaining these improvements will continue to be a key focus for the Ministry.

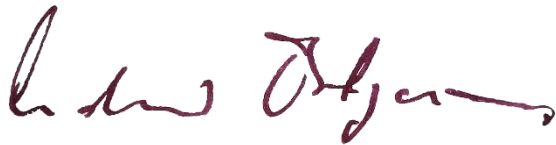
The Ministry and its staff remain focused on delivering on its challenge to ensure Defence has the people, relationships, policies and combat capabilities to respond to concurrent and adverse security challenges.

A handwritten signature in dark red ink, reading "Andrew Bridgman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Andrew Bridgman  
**Secretary of Defence**

## CHIEF EXECUTIVE STATEMENT OF RESPONSIBILITY

In signing this statement, I acknowledge that I am responsible for the information on strategic intentions for the Ministry of Defence. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



Andrew Bridgman  
**Secretary of Defence**





# 1

## THE GOVERNMENT'S DIRECTION FOR DEFENCE



## THE GOVERNMENT'S POLICY OBJECTIVES FOR DEFENCE

The *Strategic Defence Policy Statement 2018* sets out the Government's policy objectives for Defence, which is made up of two agencies: the Ministry of Defence and the New Zealand Defence Force.<sup>1</sup>



In addition to guiding operational decision-making, the Policy Statement provides the policy basis for further work to identify and define the Defence capabilities required to give effect to the Government's intentions.<sup>2</sup>

The Policy Statement introduced some new elements to New Zealand's defence policy settings, including the *Community*, *Nation* and *World* framework that explains the value Defence provides to New Zealand.

### Community

Defence supports New Zealand's community and environmental wellbeing and resilience.

### Nation

Defence promotes a safe, secure, and resilient New Zealand, including on its borders and approaches.

Defence contributes to maintaining New Zealand's prosperity via secure air, sea and electronic lines of communication, and secure access to space-based services.

### World

Defence contributes to the maintenance of the international rules-based order.

Defence contributes to New Zealand's network of strong international relationships.

The Government has also identified the following six principles to describe its expectations of Defence and how it operates:

Defence is combat capable, flexible and ready

Defence personnel are highly trained professionals

Defence has the resources to meet the Government's operational and strategic priorities

Defence operates in ways that maintain public trust and confidence

Defence embodies and promotes New Zealand's values

Defence is a credible and trusted international partner

<sup>1</sup> The *Strategic Defence Policy Statement 2018* is available from the Ministry's website at [www.defence.govt.nz/publications/publication/strategic-defence-policy-statement-2018](http://www.defence.govt.nz/publications/publication/strategic-defence-policy-statement-2018).

<sup>2</sup> In the Defence context, 'capability' refers to the personnel, equipment, platforms, and/or other resources that affect the capacity to undertake military operations.

The Policy Statement identifies three key forces affecting New Zealand's strategic environment:

- The increasing importance of spheres of influence, with some states pursuing greater influence in ways that, at times, challenge international norms.
- Challenges to open societies, driven by increasing disillusionment with existing arrangements within these societies, threaten to reduce the willingness of those states to champion the rules-based order.
- A collection of complex disruptors, including an array of impacts from climate change, new technologies changing the nature of conflict, extremist ideologies, and transnational organised crime. Many of these disruptors disproportionately affect open societies and weak states. They are forces for disorder.

The Government expects the Defence Force to deliver the following principal roles:

Defend New Zealand's sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication

Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives

Meet New Zealand's commitments to its allies and partners

Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean

Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience

Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements

Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order

Contribute to advancing New Zealand's international relationships

Work with other agencies to monitor and understand New Zealand's strategic environment

Be prepared to respond to sudden shifts in the strategic environment

Together, the Defence priorities and principal roles describe Government's expectations for the Defence Force's ability to operate.

Defence faces capability challenges. Increasing demands for Defence operations in New Zealand and our neighbourhood will present a capacity challenge, while maintaining interoperability with security partners presents a capability sophistication challenge.

Managing the introduction of replacement capabilities is, and will continue to be, a major focus.

Three particular areas require attention:

- Maritime domain awareness and response, in New Zealand's neighbourhood and further afield.
- A Defence contribution to New Zealand's secure access to space-based systems.
- Enhanced Defence cyber capabilities to provide military commanders with a broader set of tools to achieve military objectives.

## PLANNED INVESTMENTS IN DEFENCE

The *Defence Capability Plan 2019* published in June 2019 sets out the planned investments in the New Zealand Defence Force out to 2035.<sup>3</sup> Delivering on these investments will provide the Defence Force with the capabilities required to give effect to the Government's policy intentions outlined in the *Strategic Defence Policy Statement 2018*.

The planned investments maintain the \$20 billion programme of capital investment out to 2030, while improving the overall ability of the Defence Force to respond to the strategic environment. Furthermore, for the first time the timeline for investments has been extended to 2035.

Extending long term planning in Defence allows for sustainable, high value investments to be considered. Taken alongside recent commitments, the Plan provides for the replacement and regeneration of all major defence capabilities.



---

<sup>3</sup> The *Defence Capability Plan 2019* is available from the Ministry's website at [www.defence.govt.nz/publications/publication/defence-capability-plan-2019](http://www.defence.govt.nz/publications/publication/defence-capability-plan-2019).

# WHO WE ARE



# OUR ROLE AND FUNCTIONS

The Ministry of Defence is the Government’s lead civilian advisor on defence. Our purpose is to give civilian advice on defence matters to enhance the security and interests of New Zealand and its people. We also purchase major equipment which becomes a capability when it is used by service men and women of the Defence Force.

To carry out our role, we:

- provide analysis and advice on New Zealand’s national security and defence interests and challenges, across both the short and long terms
- advise the Government on how our Defence Force can meet current challenges (such as potential deployments) and possible future challenges, by purchasing, upgrading and deploying capabilities

- purchase major defence equipment for use by the New Zealand Defence Force as a defence capability
- build and maintain strong defence relationships internationally
- advise on Defence’s performance and effectiveness as a system.

We work closely with the Defence Force, the Ministry of Foreign Affairs and Trade, and other agencies to carry out these activities. We also build and maintain strong defence connections with other governments, including our ally Australia, so New Zealand can contribute to the security of the Asia-Pacific region, as well as understand and respond to defence and security challenges internationally.

Further detail about how we work with the Defence Force is set out later in Figure 3 on page 16.

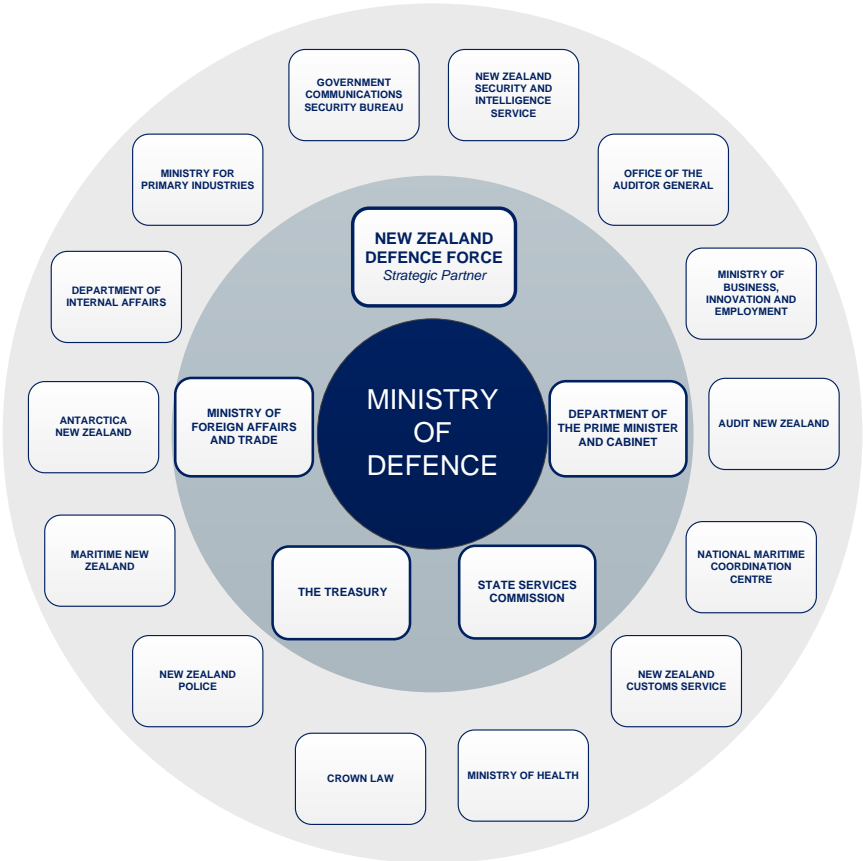


Figure 1: Government agencies that the Ministry works with

## HOW WE WORK

### WE INFORM AND IMPLEMENT THE GOVERNMENT'S POLICY FOR DEFENCE

The Ministry's work starts with developing a long-term view of the performance and fit-for-purpose of New Zealand's defence system, and an understanding of New Zealand's current and longer term defence challenges.

The Government sets its strategic direction for how it expects Defence to respond to these challenges, which the Ministry and Defence Force implement together. The *Strategic Defence Policy Statement 2018* sets out the roles and tasks the Government expects the Defence Force to undertake, and guides choices and priorities in making capability purchases, building international defence relationships, and assessing risk and performance.

Based on the Government's direction, Defence develops long-term plans on how these intentions translate into defence effects and materiel.

The *Defence Capability Plan 2019* sets out the detailed capability requirements to deliver on these policy settings – including the people, research and development, infrastructure, processes, information technology, equipment, and logistics.

The Plan allows the Government to communicate its Defence capability priorities to the public, industry, and international partners. It does not represent a final commitment by the Government. Each investment is subject to approval of a business case that justifies the proposed investment and funding being available through the Budget process.

The Ministry's purpose is to give civilian advice on defence matters to enhance the security and interests of New Zealand and its people

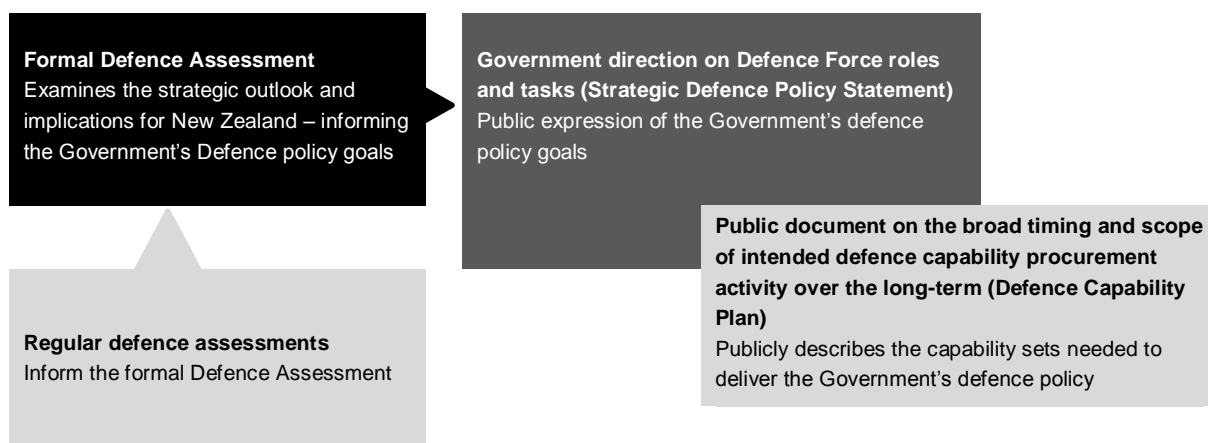


Figure 2: How the Ministry informs and implements the Government's policy for Defence

## WE WORK IN PARTNERSHIP WITH THE DEFENCE FORCE

The Ministry and New Zealand Defence Force work very closely together; drawing on their strong, separate civilian and military perspectives.

The relationship between the two agencies is led by the two chief executives and is one of deep partnership and collaboration. Contacts are extensive and deep, with all Ministry staff

interacting with Defence Force counterparts on a daily basis.

The separation between the two agencies is part of New Zealand’s constitutional arrangements. Under the Defence Act 1990, the Secretary of Defence is the lead civilian advisor on defence matters and the Chief of Defence Force is the lead military advisor and senior military officer. Together, the Defence agencies deliver on the Minister of Defence’s priorities for the defence portfolio.

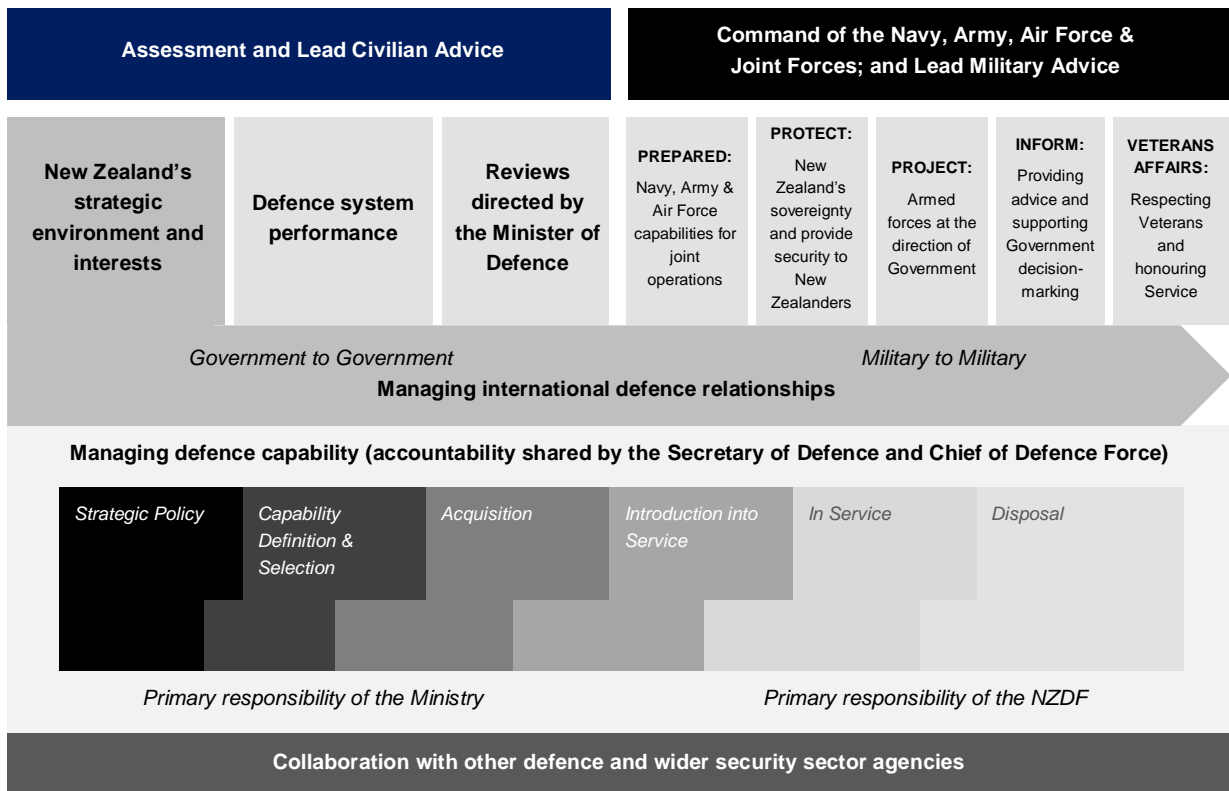


Figure 3: Respective roles of the Ministry of Defence and New Zealand Defence Force

The Defence Force and Ministry deliver a range of activities to support our Community, Nation and World. In support of the New Zealand Government, the Ministry works to maintain strong and sustainable defence relationships with international partners and leads strategic thinking to inform Defence policy that supports the resilience of

New Zealand. The Ministry’s work supports the Government to make the best decisions on the direction and tasking of the Defence Force. This includes support for decisions with immediate impact involving the deployment of Defence Force personnel, and decisions with long-term implications regarding the capabilities that the Defence Force has in



place to deliver on the Government's expectations in the future. The Ministry also supports the Defence Force to efficiently deliver on Government's expectations.

## THE NATIONAL SECURITY SECTOR

The Ministry is a lead policy agency in the national security sector. Sector agencies are expected by Government to operate in a consistently integrated way. This is to achieve:

- coherent and consistent advice to Ministers on national security, foreign policy, intelligence and defence issues
- the maximum whole of sector performance from the available resources
- the ability to adapt quickly to changes in the strategic and security environment, including sudden changes that may occur without warning
- improved attraction, development and retention of skilled people, by providing career pathways across the agencies that work on national security issues, as well as with other sectors.

## OUR CUSTOMERS

The Ministry's work programme is often determined directly by Ministerial and Cabinet decisions. The overarching strategy for us is the Government's *Strategic Defence Policy Statement 2018*, with subsequent detail about the capabilities to deliver on this policy statement set out in the *Defence Capability Plan 2019* and Defence Capital Plan.

Our customers are:

- **The Government:** With the New Zealand Defence Force, we deliver the people, relationships, policies and capabilities to meet the Government's policy objectives.
- **The Minister of Defence:** The Minister is the customer for reviews and advice that test and demonstrate Defence's performance, capability and management of risks.
- **Users of Defence Platforms:** We deliver safe, effective systems and equipment that can be used to deliver a defence capability for New Zealand.



## VOTE DEFENCE

The Ministry delivers its work through three departmental appropriations, and operates a Crown capital appropriation on behalf of the Minister of Defence for its work procuring major military equipment.

### DEPARTMENTAL APPROPRIATION

As part of Budget 2019, the Ministry received additional operating funding of \$8.4 million

over four years for new accommodation following the loss of Defence House in the 2016 Kaikoura Earthquake.

### CROWN CAPITAL APPROPRIATION FOR DELIVERING MILITARY CAPABILITIES

Crown funding for the delivery of defence capabilities is allocated after Cabinet approval of business cases for the specific projects.

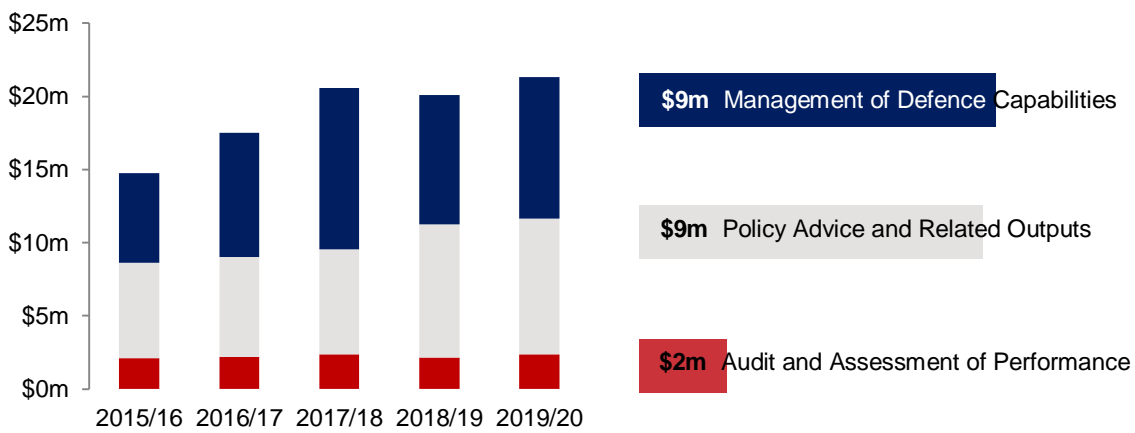


Figure 4: The Ministry's departmental expenditure

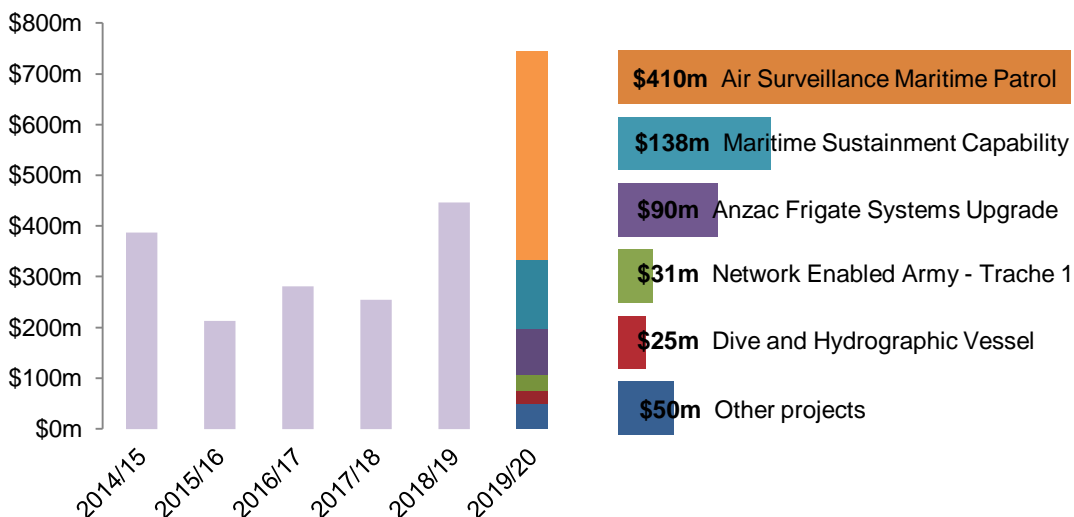


Figure 5: The Ministry's non-departmental expenditure on delivering Defence capabilities

## THE DEFENCE OPERATING ENVIRONMENT

Defence operates in a dynamic environment. The quality of the Ministry's performance over the next four years will depend on how well it responds to challenges that are both external and internal to the Ministry, some of which may arise without warning.

To be successful, the Ministry must:

- understand and advise on changes and trends in the security environment
- support the New Zealand Defence Force to carry out its roles and tasks
- contribute to the work of the national security sector.

## NEW ZEALAND'S SECURITY ENVIRONMENT

New Zealand is navigating an increasingly complex and dynamic international security environment. We will face compounding challenges of a scope and magnitude not previously imagined in our neighbourhood. While there may be noteworthy effects on New Zealand's interests from singular developments, New Zealand's security outlook may be shaped most powerfully by a combination of forces increasing pressure on the international rules-based order, which will play out in newly potent ways close to home.

The three key forces, and their dynamic intersections, pressuring the order are:

- states pursuing greater influence in ways that challenge international norms and at times the sovereignty of small states
- challenges to open societies that threaten those states' willingness to champion the rules-based order, and
- complex disruptors – including an array of impacts from climate change, technologies changing the nature of conflict, extremist ideologies, national and regional tensions, and transnational organised crime – that

disproportionately affect open societies and weak states, and are forces for disorder.

As the international-rules based order – the foundation of our security – comes under pressure, New Zealand will also face intensifying disruptors closer to home. Climate change, transnational organised crime, and resource competition, will disrupt our neighbourhood, including our extensive maritime area, in complex and compounding ways.

Pacific Island countries are confronting intensifying challenges from the combination of complex disruptors, and will likely require increased levels of assistance, including operations beyond humanitarian assistance and disaster relief.

Supporting stability in the Asia-Pacific, from countering violent extremism in Southeast Asia to the de-nuclearisation of North Korea, will increase in importance.

As challenges to the international rules-based order intensify it will remain in New Zealand's vital interest to act in support of this order. While we will conduct some missions on our own, most New Zealand Defence Force deployments will be undertaken alongside other government agencies and our international partners.

New Zealand has a strong international reputation as a valued, credible defence partner. Our international partnerships are vital to enabling the realisation of our interests, the promotion of our values and the safeguarding of our sovereignty in a complex and changing world.

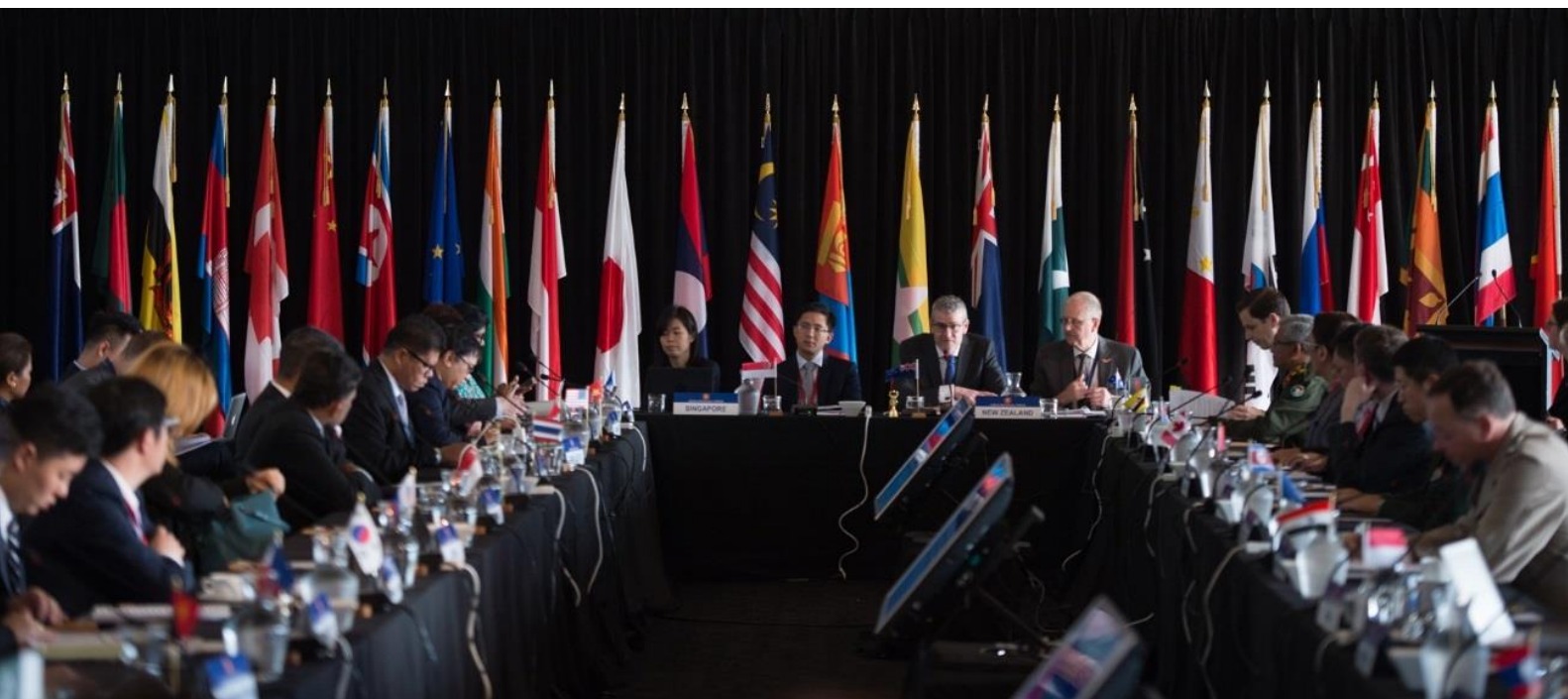
It is therefore critical for the Defence Force to maintain and develop capabilities that support effectively operating with others. This involves developing complementary capabilities as appropriate, ensuring mutual familiarity (developed through personnel exchanges and exercising), and the compatibility of communications and command and control systems. Interoperability is key to

New Zealand's strong international reputation as a valued, credible defence partner and ally to Australia.

The domains of cyber and space bring both vulnerabilities and opportunities. Increased use of cyber and space capabilities could enhance Defence's operational effectiveness and efficiency, but the Defence Force will also need

to be prepared to respond to increased threats manifesting in and through both space and cyber space.

Defence will have to act in new ways and at new levels to protect New Zealand's values and interests.





## OUR STRATEGIC DIRECTION



## THE MINISTRY'S STRATEGY

The Ministry's strategy summarises how the work we do will contribute to a safe, secure and resilient New Zealand. It shows the connections between:

- the key things that need to be in place for Defence to succeed
- the Ministry's priorities for delivering and strengthening these
- how the Ministry of Defence contributes to New Zealand's security and wellbeing.

Our strategy draws from our Four Year Excellence Horizon that describes where we would like to be in three to four years' time. Achieving this will enable the delivery of our long-term system outcomes.

## WHAT WILL SUCCESS LOOK LIKE IN FOUR YEARS?

The Ministry will be seen as an active and influential lead agency within an external and security sector that provides coherent, collective advice on New Zealand's defence and security interests and choices in a dynamic strategic environment. It will do this through the depth of its relationships and partnerships, the high quality of its strategic assessments and advice, and the consistently high standards it meets in delivering the Government's major defence investments.

The Ministry will be known and respected for the way it partners with others to amplify its influence well beyond its size. This will be exemplified in the formal and informal arrangements with the New Zealand Defence Force for capability management. It will extend to relationships with the wider sector, central agencies, academia and defence industry.

The Ministry will be highly regarded for its understanding of security and defence in a changing world, and it will have grown the value New Zealand obtains from government to government defence relations. Its efforts will have shaped stakeholders' understanding of

New Zealand's role on the world stage and the contribution defence and security makes to international trade and the domestic economy.

This will have resulted in greater support for the Ministry's work to maintain and grow government to government defence relationships. These relationships will be viewed and managed as an important part of the total relationship with New Zealand's trade, economic and security partners.

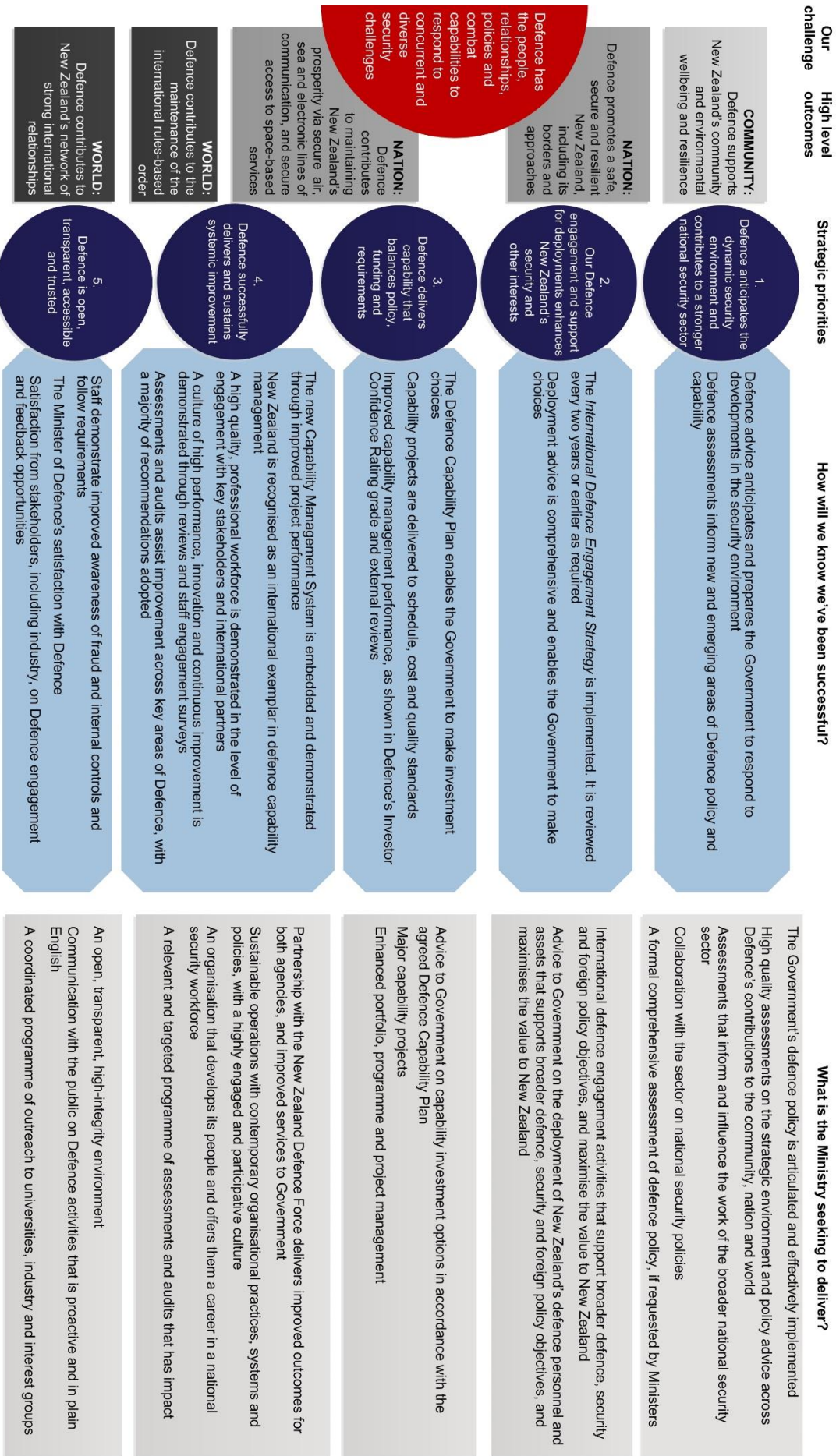
The Ministry will have achieved its goal of being recognised as an international exemplar for defence capability management. Defence's transformation of defence capability management will be complete and embedded. Defence capability projects will be delivering on time, to budget, and to quality standards. Defence's in-use capabilities will faithfully reflect Government's portfolio choices and the defence capability it intended New Zealand to have.

This performance will be sustained through a culture and organisational systems that measure performance and benefits, and which drive continuous improvement.

The Ministry's values and operating model are embedded as its way of working. Increased capability and capacity has translated into resilience and performance. The Ministry's people use 'clear rules and good tools'. They experience strong support for their development and careers.

The Ministry will lead its sector in attracting people with diverse backgrounds and perspectives. Its diversity and inclusive behaviours will help it to be adaptable, respond quickly to changes in its environment, and reinforce its reputation for transparency and ethical behaviour.

# THE MINISTRY'S STRATEGY SUMMARISED



## OUR STRATEGIC PRIORITIES

The Ministry has five strategic priorities against a challenge that would test its ability to deliver. These have been developed in consultation with our partners and stakeholders.

The Ministry's achievements are often through influence and over the longer term. As such, our measures involve an element of judgement. We will chart our progress against our Four Year Excellence Horizon.

The Ministry is focused on implementing the Government's policy direction and strategy for Defence – particularly the roles and tasks for the Defence Force articulated in the *Strategic Defence Policy Statement 2018*. This is primarily delivered through priorities 1–3.

To ensure the effective delivery of the significant forward programme of defence capability projects, Defence operates an enhanced Capability Management System to deliver on the programme of investment decisions in the *Defence Capability Plan 2019*. The embedding and operation of this is reflected in priorities 3 and 4:

Priority 5 underpins the way that the Ministry works across all areas of its activity.

1.  
Defence anticipates the dynamic security environment and contributes to a stronger national security sector

2.  
Our Defence engagement and support for deployments enhances New Zealand's security and other interests

3.  
Defence delivers capability that balances policy, funding and requirements

4.  
Defence successfully delivers and sustains systemic improvement

5.  
Defence is open, transparent, accessible and trusted



# 1

## DEFENCE ANTICIPATES THE DYNAMIC SECURITY ENVIRONMENT AND CONTRIBUTES TO A STRONGER NATIONAL SECURITY SECTOR

### What is the Ministry seeking to deliver?

- The Government's defence policy is articulated and effectively implemented
- High quality assessments of the strategic environment and policy advice across Defence's contributions to the community, nation and world
- Assessments that inform and influence the work of the broader national security sector
- Collaboration with the sector on national security policies
- A formal comprehensive assessment of defence policy, if requested by Ministers

### How will we know we've been successful?

- Defence advice anticipates and prepares the Government to respond to developments in the security environment
- Defence assessments inform new and emerging areas of Defence policy and capability

### What will we achieve from this work?

- In partnership with the Defence Force, the Ministry articulates and implements the Government's defence policy
- The Ministry produces regular defence assessments, including Strategic Defence Assessments, and informs strategic decision-making, focusing on new and evolving areas of Defence policy
- The Ministry works with partners in the national security and intelligence community
- Working with the Defence Force and other sector partners, the Ministry produces a suite of future-focused Defence Planning Scenarios to inform capability decisions
- The Ministry works with sector partners to develop policy, including in new and emerging areas of national security and defence policy

### Implementing the Government's policy for Defence

The Ministry works in partnership with the Defence Force and other partner agencies to implement the Government's policy for Defence. This includes undertaking initiatives arising from the 2018 Strategic Defence Policy

Statement, which sets out the Government's priorities and principal task expectations for the Defence Force.

Policy implementation related to international engagement and deployments is discussed under priority 2. Policy implementation in respect of defence capability, particularly under

the Defence Capability Plan, is discussed under priority 3.

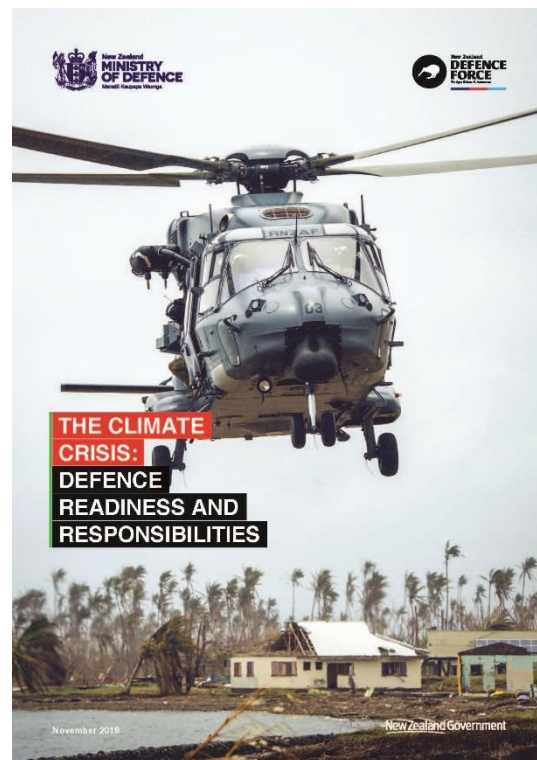
In addition, the Ministry is working with the Defence Force to analyse and provide advice on its plan for the regeneration of the Defence estate, and undertake work to better understand its personnel portfolio.

### **Advice on the strategic outlook and assessment**

Work on major five-yearly Ministry-led Defence Assessments is being augmented by a cycle of smaller, more focused assessments on emerging issues. More regular Defence Assessments will also be produced to inform decision makers of significant changes to the overall international environment, incorporating results of the more focused work where they are relevant. This approach ensures that Defence is better able to keep pace with changes in the international strategic environment and their possible implications for New Zealand's national security interests, Defence policy and the capabilities required by the Defence Force to fulfil its roles and tasks. Details arising from this work will be reflected in the Ministry's annual report.

The Ministry will work with partners, both domestically and internationally, to ensure it is well-placed to provide ongoing advice on the strategic environment and the appropriateness of policy settings, capability and funding. This advice will be able to be provided within short timeframes. The Ministry's leadership role in Defence Assessments and Defence White Papers means it is well-placed to contribute to a range of policy initiatives led by agencies across the wider intelligence and security sector, from space policy to maritime and cyber security.

The Ministry is working with the Defence Force, and other partner agencies as appropriate, to produce Defence planning scenarios for a range of New Zealand Defence Force roles. These will support Defence Force's planning activities, including for capability development and contingency planning.



Additional work on the security implications of climate change and a framework for lifting Defence's approach to the Pacific in the context of the Pacific Reset have demonstrated Ministry leadership on key strategic issues and provided models for other agencies' consideration of how they will give effect to Government policy.

### **Collaboration with the sector on national security policies**

The Ministry will work closely with security sector partners to leverage the collective capability in order to meet new and evolving security challenges. It will also work with sector partners to develop policy in new national security and defence areas. This will ensure appropriate capability is being developed to meet New Zealand's long term needs, and that the sector is working together effectively and efficiently, without unnecessary duplication.

The areas of focus for sector work reflect the key Government priorities for Defence, including areas where whole-of-government activity is ramping up – such as space and cyber policy issues. In 2018/19 the Ministry assumed a leadership role in the Combined Space Operations Initiative, and is working closely with a range of New Zealand government agencies to build space capability and expertise.

The Ministry has put forward sector-leading policy work, including the *Strategic Defence Policy Statement 2018*, which has significantly

shaped the national security sector's view of New Zealand's strategic environment through its model of three forces shaping the international rules-based order, the foundation of our security.

Additional work on the security implications of climate change and a framework for lifting Defence's approach to the Pacific in the context of the Pacific Reset have demonstrated Ministry leadership on key strategic issues and provided models for other agencies' consideration of how they will give effect to Government policy.



## 2

### OUR DEFENCE ENGAGEMENT AND SUPPORT FOR DEPLOYMENTS ENHANCES NEW ZEALAND'S SECURITY AND OTHER INTERESTS

#### What is the Ministry seeking to deliver?

- International defence engagement activities that support broader defence, security and foreign policy objectives, and maximise the value to New Zealand
- Advice to Government on the deployment of New Zealand's defence personnel and assets that supports broader defence, security and foreign policy objectives, and maximises the value to New Zealand

#### How will we know we've been successful?

- *The International Defence Engagement Strategy* is implemented. It is reviewed every two years or earlier as required
- Deployment advice is comprehensive and enables the Government to make choices

#### What will we achieve from this work?

- Working with the Defence Force, the Ministry conducts international defence engagement in accordance with priorities established in the *International Defence Engagement Strategy*, including implementing initiatives set out in the country and regional strategies
- The Ministry uses the Strategy to guide priorities for Ministerial and other senior-level travel within Defence. The Ministry's support includes comprehensive briefing and visit management
- New Zealand is well-represented by the Ministry at bilateral defence talks, in regional fora and at major international defence conferences. New Zealand's interests are advanced
- The Ministry continues to work with the Defence Force and other agencies to review and update the Strategy every two years or earlier as required
- Working with the Defence Force and other agencies, the Ministry provides timely, robust and influential joint advice to Government on existing mandates and/or consider new deployment mandates
- Working with the Defence Force, the Ministry monitors deployments and provides updated advice to the Minister in the event of substantive changes to the mission or environment

## International engagement and deployments

The Ministry works with the Defence Force to shape New Zealand's relationships with foreign militaries and security organisations. We provide advice to Government and direction on international defence relationships to maximise New Zealand's security and broader interests. Having a network of strong international relationships serves to protect and advance New Zealand's interests.

In line with this, the Ministry's role in managing the full spectrum of international defence policy is growing.

### The Enduring Objectives of International Defence Engagement

- Shape the strategic environment to meet New Zealand's interests
- Enhance New Zealand's reputation and profile as a valued and responsible information partner
- Contribute to regional and global peace, security, and stability in order to support an international environment, which promotes New Zealand's prosperity

## New Zealand's international defence engagement

Working with the Defence Force, the Ministry has developed an overarching *International Defence Engagement Strategy*, which is reviewed and updated every two years or earlier as required.

The purpose of the Strategy is to:

- identify and prioritise the international defence relationships that add value to New Zealand

- determine where and how the Ministry and Defence Force should focus resources that contribute to international defence engagement, to maximise the value to New Zealand.

Drawing from the *Strategic Defence Policy Statement 2018*, the Strategy prioritises New Zealand's international defence relationships and determines likely initiatives to maintain and develop our defence engagement.

The Strategy ensures defence relationships are appropriately prioritised, support broader defence, security and foreign policy objectives, and inform decision-making.

## Representing New Zealand and advancing our security interests on the international stage

The Ministry has a role in representing New Zealand at bilateral, regional and multilateral engagements. Major engagement activities include:

- supporting the Minister of Defence's international travel programme and hosting visitors to New Zealand
- supporting the international engagement activities of the Secretary of Defence, Chief of Defence Force and tier-two Defence leadership
- annual or biennial bilateral defence dialogues with New Zealand's defence partners
- active involvement in regional fora, such as the South Pacific Defence Ministers' Meeting and the ASEAN Defence Ministers' Meeting Plus
- attending major international defence conferences.

## The policy behind deployments

New Zealand has eight operational overseas deployments of Defence Force personnel across a range of countries and regions, in addition to providing support for activities in Antarctica. Each of these deployments is mandated by Cabinet, usually for up to two years.

New Zealand Defence Force personnel are deployed on major peace support operations, maritime security, logistics, training missions and into headquarters positions around the world.

The advice to Government on deployments is all-encompassing. It considers a wide range of issues, from the overarching political and security environment to the more specific question of how the Defence Force could best contribute to a particular mission. A central

concern is always the safety and security of Defence Force personnel deployed overseas.

The Ministry engages closely with counterparts from New Zealand's likeminded countries on all possible deployment activities. Whether New Zealand will deploy, under what conditions and level of commitment, is decided by the Government of the day. The number, frequency and variety of international security challenges necessitating an international military response is on the rise and becoming more complex. The Ministry, therefore, expects the role for policy advice in this space to continue to grow.

The mandates for all current deployments will expire during the period of this Statement of Intent and, where an extension is proposed, the Ministry will prepare advice to Government on this.



Deployment	Mandate Expiry Date
UN Command & Military Armistice Commission (Korea)	Aug 2019
UN Mission in South Sudan	Jul 2020
Iraq	Jun 2020
Maritime Security and Stability Operations	Jun 2020
UN Truce Supervision Organisation (Golan Heights)	Sept 2020
Multinational Force and Observers (Egypt/Sinai)	Sept 2020
Afghanistan	Dec 2020
Operation Gallant Phoenix (Jordan)	Dec 2020

Figure 6: Current NZDF deployments (including Antarctica logistics support and NZDF's capacity-building Mutual Assistance Programme work in the Pacific and Southeast Asia)

# 3

## DEFENCE DELIVERS CAPABILITY THAT BALANCES POLICY, FUNDING AND REQUIREMENTS

### What is the Ministry seeking to deliver?

- Advice to Government on capability investment options in accordance with the agreed Defence Capability Plan
- Major capability projects
- Enhanced portfolio, programme and project management

### How will we know we've been successful?

- The Defence Capability Plan enables the Government to make investment choices
- Capability projects are delivered to schedule, cost and quality standards
- Improved capability management performance, as shown in Defence's Investor Confidence Rating grade

### What will we achieve from this work?

- The Ministry implements the Government's *Defence Capability Plan 2019*, including annual reports to Cabinet on delivery of the Plan
- Projects operate in accordance with the standards, guidance and practices of the Capability Management Framework
- Portfolio and project management is strengthened
- Effective governance operates at the portfolio and project level
- Systems and infrastructure are more aligned and integrated
- Engagement is improved with Defence industry and there is greater New Zealand industry involvement in Defence procurement
- Integrated Project Teams enhance collaboration and delivery
- Improved Whole of Life costings

## THE DEFENCE CAPABILITY PLAN 2019

In June 2019, the Government published the *Defence Capability Plan 2019*. The Plan sets out the indicative planned investments in the Defence Force out to 2030, as well as identifying potential investments to be made after 2030. Delivering on these investments will provide the Defence Force with the capabilities required to give effect to the Government's

policy intentions, outlined in the *Strategic Defence Policy Statement 2018*.

The signalled investments maintain the \$20 billion programme of capital investment out to 2030, while improving the overall ability of the Defence Force to respond to the strategic environment.

Taken alongside recent commitments, the Plan provides for the replacement and regeneration of all major defence capabilities. Indicative

investments planned for commitment between 2030 and 2035 have been included to allow for considered, long-term planning for the Defence Force's future needs. These capabilities will be reassessed ahead of a 2022 Defence White Paper.

The timing and description, and cost of individual capability investments in the Plan are indicative, and subject to approval by Cabinet. Investment intentions are subject to individual business cases justifying the investment, and funding being available through the budget process, taking into account other government priorities.

The Plan is focused on:

- increasing New Zealand's capacity to respond to challenges in the Pacific
- sustaining the Defence Force's presence in the community
- enhancing air surveillance capabilities
- preserving the Southern Ocean and New Zealand's marine living resources
- maintaining New Zealand's high-value air capabilities
- extending the life of the Anzac frigates
- replacing the maritime helicopter fleet.

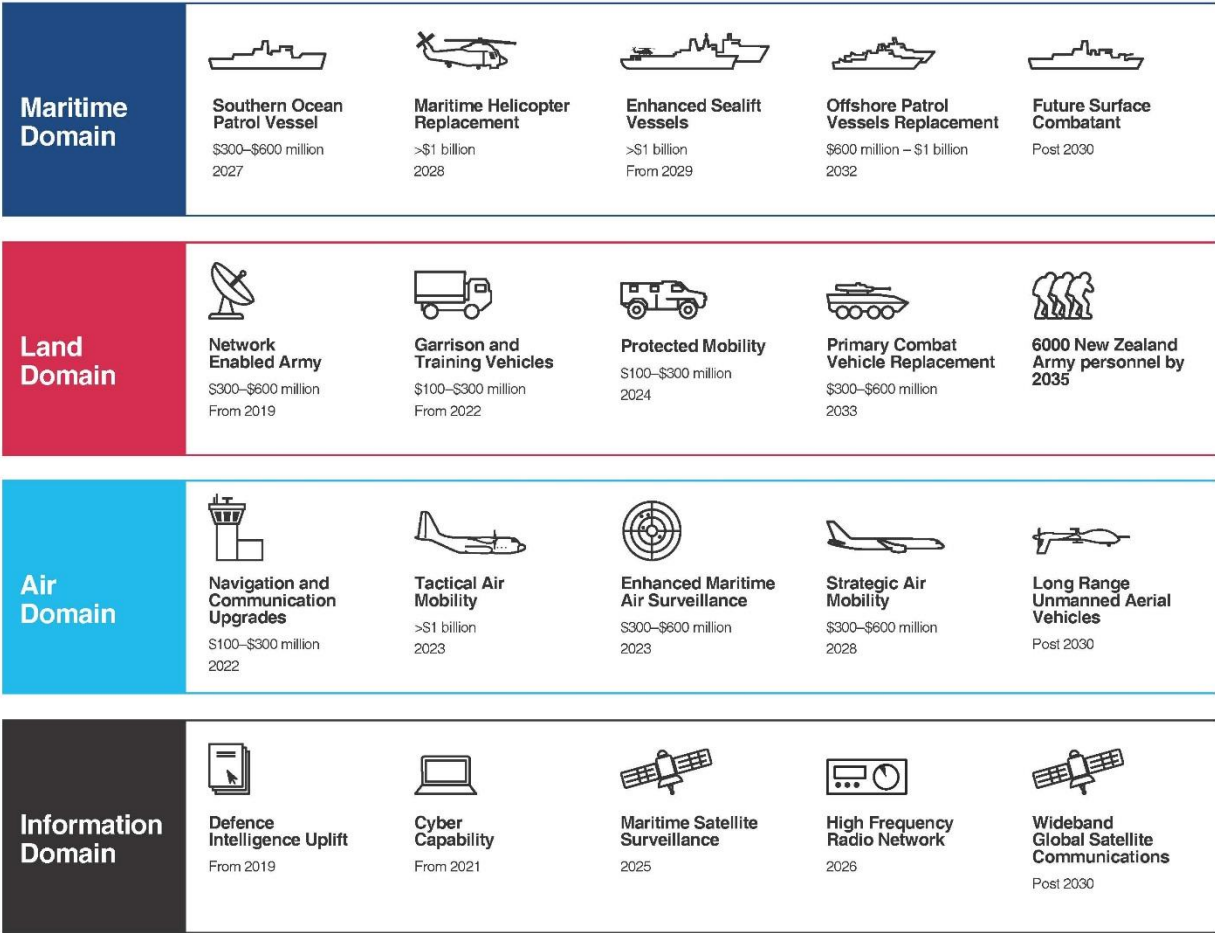


Figure 7: Planned investment in NZDF out to 2035 provided for in the *Defence Capability Plan 2019*



## Once in a generation investments in defence capability

The investment in new military capability required over the next 15 years will be the largest in more than three generations. The decision to acquire the P-8A Poseidon maritime patrol aircraft to replace the Defence's Force's aging P-3K2 Orion fleet was the first of several major platform replacement decisions required before 2030. The second, a decision to replace the C-130 Hercules tactical air transport fleet, will be taken during the period covered by this Statement of Intent, with the Government agreeing that a price be sought through the US Foreign Military Sales process for the C-130J-30 Super Hercules.

To realise the full value of previous upgrades to the Anzac frigates, as well as the current Frigate Systems Upgrade and intended communications systems upgrade, the Plan provides that the frigates' expected service life will be extended past 2030. This decision has been supported by independent analysis of the vessels, which has demonstrated that they are supportable for a greater period of time than previously anticipated.

These upgrades will be completed in the early 2020s, at which point the ANZAC frigates will provide a greater capability to the Defence Force than at any time since their introduction in the 1990s.

The defence capabilities forecast in the new Defence Capability Plan will be more sophisticated than the decades old platforms, systems and equipment they replace, with different support requirements over their lifetime.

These new and complex capabilities will offer New Zealand Industry opportunities – primarily as part of a support supply chain.

The *Defence Capability Plan 2019* builds on the robust and transparent methodology previously used for the 2013 *Defence Midpoint Rebalancing Review* and *Defence White Paper 2016* to identify viable and fully costed options for Ministers on investment in New Zealand Defence Force capabilities. It assesses the value of military capabilities in meeting policy objectives, alongside identifying and costing possible military options. This methodology supports decision-makers to consider the relative value of military capabilities and indicative capital and operating funding tracks over a 15 to 20 year period to deliver a sustainable and coherent defence force. Defence has continued to enhance and strengthen the analytical tools employed, including the use of scenarios to assess future capability requirements.

Defence's Long Term Investment Plan includes more detail on this, and this detail feeds into the Investor Confidence Rating for Defence.



# 4

## DEFENCE SUCCESSFULLY DELIVERS AND SUSTAINS SYSTEMIC IMPROVEMENT

### What is the Ministry seeking to deliver?

- Partnership with the New Zealand Defence Force delivers improved outcomes for both agencies, and improved services to Government
- Sustainable operations with contemporary organisational practices, systems and policies, with a highly engaged and participative culture
- An organisation that develops its people and offers them a career in a national security workforce
- A relevant and targeted programme of assessments and audits that has impact

### How will we know we've been successful?

- The new Capability Management System is embedded and demonstrated through improved project performance
- New Zealand is recognised as an international exemplar in defence capability management
- A high quality, professional workforce is demonstrated in the level of engagement with key stakeholders and international partners
- A culture of high performance, innovation and continuous improvement is demonstrated through Reviews and staff engagement surveys
- Assessments and audits assist improvements across key areas of Defence, with a majority of recommendations adopted

### What will we achieve from this work?

- The Ministry systematically embeds partnership-building skills and practices
- The Ministry embeds the new ways of working articulated in the enhanced Capability Management System
- The Ministry reviews Defence performance under a work programme approved by the Minister of Defence and when directed by the Minister
- The Ministry takes part in new sector initiatives to develop people collectively
- Ministry successfully manages the move to new office arrangements in the Bowen State Building

## The Defence Capability Management System

The Defence Capability Change Action Programme (DCCAP) was established in 2015 as a joint programme between the Ministry and Defence Force to create a scalable and resilient Capability Management System that is capable of delivering an expanding portfolio of complex projects.

The 2018 *Review of Defence Procurement Policies and Practices for Major Capability Projects* by Sir Brian Roche concluded that the DCCAP has addressed the structural, operations and information deficiencies of the previous system; and the new Capability Management System now provides decision makers with a strong level of confidence and assurance to support informed decision-making. The follow-up Review delivered in June 2019 found that the findings from the

2018 Review remained relevant, with the DCCAP continuing to instil a strong risk management culture across both the Ministry and Defence Force in the management of major capability acquisitions.

In 2018, the Treasury-sponsored Investor Confidence Rating Index assessment raised the rating from B to A for major Defence capability management. This has also reaffirmed that the investment in the Ministry since 2015 has resulted in a significant uplift in project and programme management performance.

The focus of our work is now is on embedding the lift in performance. In addition, Defence is improving the maturity of its portfolio, programme and project management (using the P3M3 tool), as well as benefits management and project delivery.

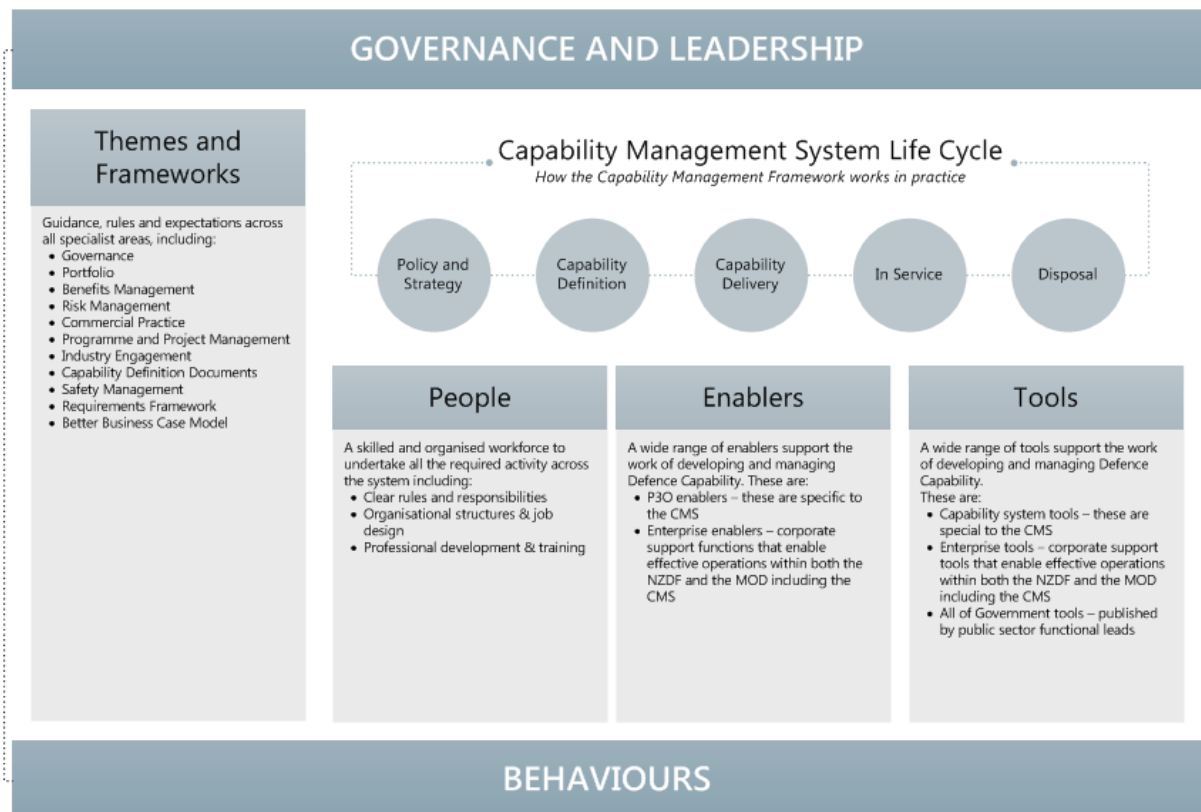


Figure 8: An overview of the enhanced Defence Capability Management System

## Embedding partnership in Defence

The relationship with the Defence Force is the most important of a number of partnership relationships the Ministry has. The Ministry describes its focus as to 'be a valued partner, with an influential voice'.

For Defence to succeed, both agencies need to achieve their strategic objectives. The Ministry has recognised this in describing a Greatest Challenge that tests the outcome from the Ministry achieving its five strategic priorities. This is that:

*Defence has the people, relationships, policies and combat capabilities to respond to concurrent and diverse security challenges.*

The Ministry has established a strong culture-shaping programme to make sure it recruits and develops the attitudes and behaviours that foster partnered ways of working.

Partnering is embedded into all layers of the enhanced Capability Management System. A foundation to the new way of working under the enhanced system is the behaviours that support effective relationships between the two agencies.

## A sustainable, contemporary Ministry of Defence

The Ministry has implemented modern, fit for purpose policies that are appropriate for its increased number of staff. The focus over the coming years will be to embed and update these to ensure they remain contemporary and best practice.

In October 2019 the Ministry will move to new shared accommodation in Defence House (the upgraded Bowen State Building). This building has been built to meet the specialised security and sustainment requirements of the Defence agencies and other related agencies. Through this the Ministry will continue to leverage economies of scale from co-locating and sharing IT, security and other services with

the Defence Force. It will also enable collaboration in delivering advice on Defence policy, Defence Force deployments, and military capability.

The Ministry is working with the Defence Force as it leads the establishment of these facilities.

In addition, the Ministry is supported by a range of all-of-government tools provided by the government's functional leads, including use of the common web platform for the Ministry's website, the Government Electronic Tender Service and benefits from all-of-government procurement contracts.

## Reviewing Defence Activities

The Ministry carries out assessments and audits to assist improvements across key areas for Defence. This role is mandated under the Defence Act.

A work programme is proposed for approval by the Minister of Defence. This comprises topics that align with strategic risks to Defence, and is focused on the performance of system-level functions or core capabilities that support Government objectives. Each assessment or audit aims to provide findings, insights and recommendations that can be used to support continuous improvement. The Minister of Defence may also direct that reviews be carried out.

## Case Study: Review of the Limited Services Volunteer Programme

A review of the Limited Service Volunteer programme, which commenced in 2018, shed light on how the New Zealand Defence Force is helping young unemployed New Zealanders to develop their potential. The programme is part of the Ministry of Social Development's suite of employment assistance programmes, but is implemented by the Defence Force. Programme participants undertake basic military training alongside life and employment skills development.

The review assessed what difference the programme makes, and what opportunities exist to improve the outcomes for the young people who attend. The review proposed a greater emphasis on post-programme support, and noted the unique opportunity it provides to engage with participants, many of whom have complex problems.



# 5

## DEFENCE IS OPEN, TRANSPARENT, ACCESSIBLE AND TRUSTED

### What is the Ministry seeking to deliver?

- An open, transparent, high-integrity environment
- Communication with the public on Defence activities that is proactive and in plain English
- A coordinated programme of outreach to universities, industry and interest groups

### How will we know we've been successful?

- Staff demonstrate improved awareness of fraud and internal controls and follow requirements
- The Minister of Defence's satisfaction with Defence
- Satisfaction by stakeholders, including industry, on Defence engagement and feedback opportunities

### What will we achieve from this work?

- The Ministry participates in an anti-corruption network with defence partners
- Capability projects meet probity and anti-corruption requirements
- The Ministry proactively reports on the detail of major Defence procurement work, including the annual Major Projects Report
- The Ministry proactively releases key material on Defence activities and major decisions on the Ministry's website
- Internal processes support Ministry documents to use active language and be accessible to the audience
- The Ministry strengthens relationships with key stakeholders, including Defence industry and universities

### Operating in a high integrity environment

The Ministry regularly communicates to its staff the importance of always acting ethically, with integrity, and honesty. Staff are required in particular to demonstrate probity and good judgement when committing funds.

The Ministry is committed to the active maintenance of, and improvement in, the preventative controls on fraud and corruption within the defence sector. The Ministry participates in the Five Country Defence Fraud

and Anti-Corruption Network, with defence partners in the United States, United Kingdom, Canada and Australia. The Ministry will host the meeting of this group in 2020.

Our participation in global networks with defence partners allows us to pursue best practice and identify risks and mitigations that will inform and provide a benchmark for our own endeavours.

## Transparency of Defence decisions

The Ministry's website is the main channel used for communicating information on Defence activities to the public. The Ministry regularly proactively releases information on key Cabinet decisions that relate to key Defence capability decisions and deployments.

The Ministry implements the States Services Commission policy for Strengthening Proactive Release requirements and will continue to investigate other opportunities to improve the transparency of information related to Defence activities.

In addition to publishing Cabinet decisions, the Ministry works with the Office of the Auditor-General to produce annual Major Project Reports for the Foreign Affairs, Defence and Trade Select Committee. These provide highly detailed information about the initiation and progress of the major, multi-year Defence capability projects managed by the Ministry.

## Enhancing domestic engagement

The Ministry engages with the academic community as it undertakes strategic assessment activity, to test assumptions and thinking. Senior staff present at universities as part of graduate recruitment to engage a wider range of potential applicants on the Ministry's work and role, and the Ministry funds the Freyberg Scholarship in order to foster students involved in learning on strategic studies.

Defence is developing a joint domestic engagement strategy to enhance, direct and prioritise its engagement with stakeholders in New Zealand.

## Our strategy for engaging with Industry

Defence industry is a key partner and a fundamental input in the successful delivery and support of military capability. The values and behaviours underpinning this partnership are set out in the Defence Engagement

Strategy, *Smart Customers and Smart Suppliers*.

The Strategy commits the Ministry to five enabling principles:

- early engagement
- effective two-way communication
- whole of life view of materiel
- collaboration and partnering
- commercial good practice.


These principles inform the *Defence Capability Plan 2019* and will guide its implementation.

The Plan sets out for Industry the Government's investment in Defence capabilities out to 2035. Greater levels of transparency have seen the inclusion of indicative estimates of cost and schedule for capability and infrastructure projects, along with indicative dates for approaching the market for information and/or proposals. Enhancements to the Ministry's website and Industry Portal, including the ability to submit innovative ideas on how we might improve our tendering and/or contracting processes, will further improve transparency and the ease of doing business.

The Capability Plan also reinforces the Ministry's focus on early industry engagement and creating opportunities for New Zealand industry. The information on Working with Industry highlights recent changes to the Ministry's Request for Tenders process that requires overseas prime suppliers to submit activity reports setting out how they plan to include New Zealand companies in the supply chain. The changes are consistent with new Government Procurement Rules and the focus on public value and increasing New Zealand business access to Crown procurement.





A woman with long brown hair and glasses, wearing a dark blazer, is speaking into a microphone. She is holding a pen in her right hand. To her right, a man in a military uniform is seated, also looking towards the microphone. The background is a brick wall. A large white number '4' is overlaid on the image.

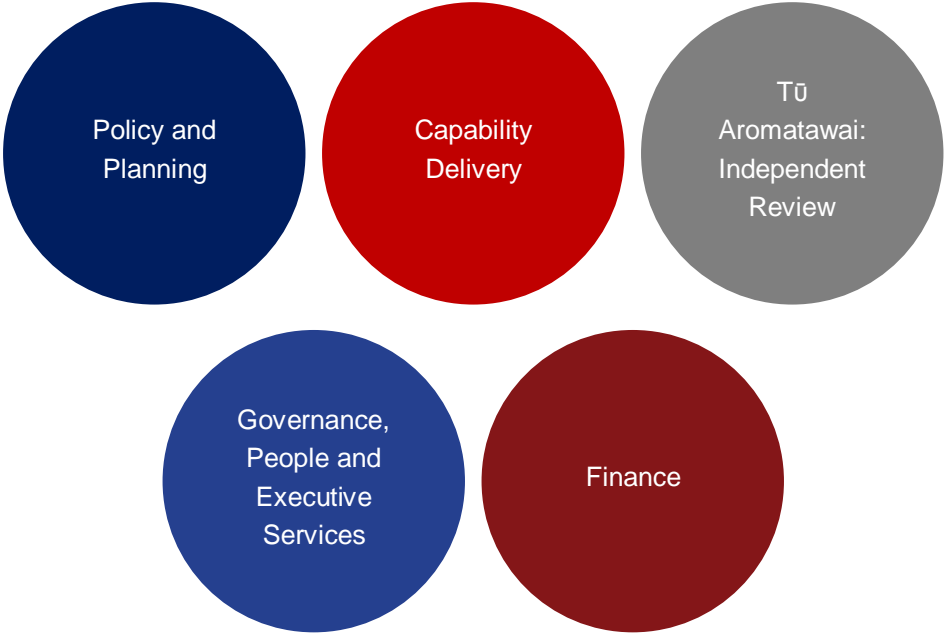
4

OUR CAPABILITY



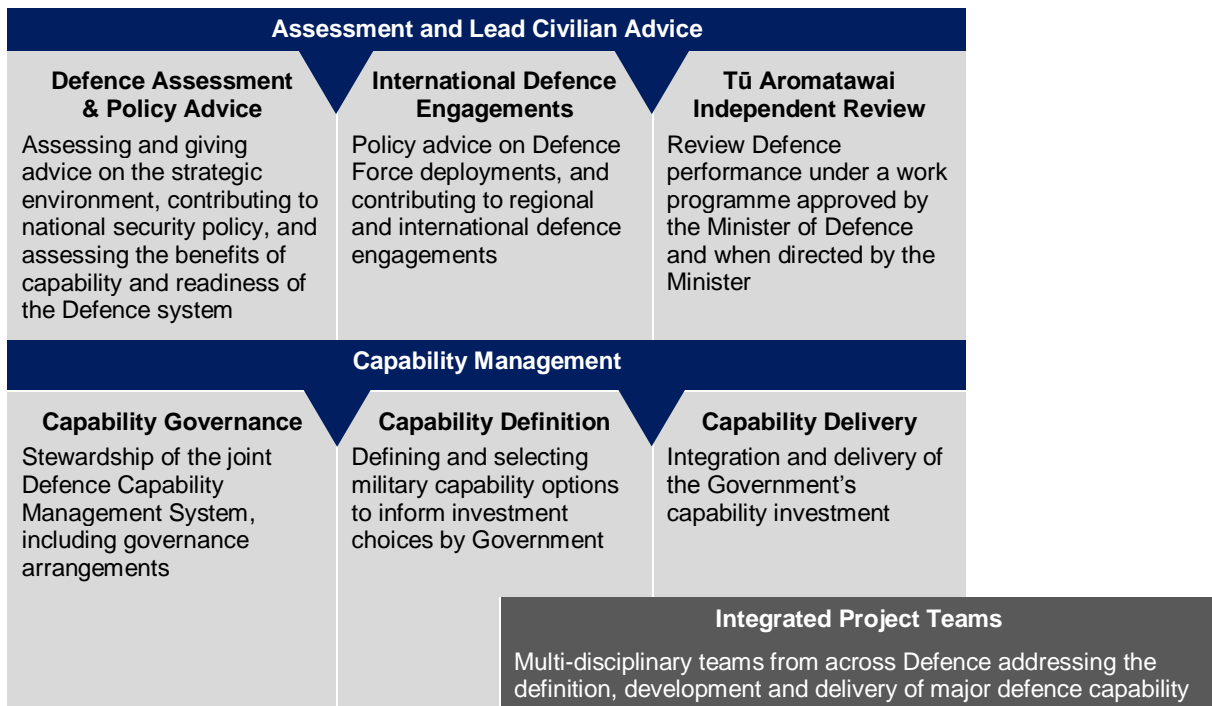
# HOW WE ARE ORGANISED

The Ministry is made up of five divisions:



The Ministry is organised around its civilian advice and capability delivery roles. Its centre provides in-house financial services, human resources, corporate planning, governance and assurance, security and other back office services.

The Ministry has shared services arrangements with the New Zealand Defence Force for property, IT and communications services, and some security services. This involves a shared services agreement, and agreed priorities for delivery.



*In addition are the Leadership Team, plus staff who provide financial services, human resource services, and who support the work of the Ministry, Minister of Defence or Secretary of Defence*

## OUR STEWARDSHIP PRIORITIES

The Ministry has to manage itself in the same way it manages its business activities – with both the short term and the longer term in mind.

Our operating model is to deliver through people and partnerships, for customers and results. Our people are our most valuable asset and we seek to maximise their contributions through a strong learning and development culture.

The components of our operating model can be summarised as:

- People. People who can deliver results through partnership, in accordance with our values, and who get great opportunities through their role with the Ministry.
- Partnerships. We deliver in partnership with the New Zealand Defence Force, our sector, Defence Industry suppliers and our international defence partners.
- Customers. We deliver for the Government, which has determined our priorities in the Strategic Defence Policy Statement; for the Minister of Defence, who receives our advice; and for the Defence Force service men and women, who use the defence equipment we deliver.
- Results. Defence has the people, policies relationships and combat capabilities to meet the Government's objectives now and in the future.

## OUR PEOPLE: MAKING SURE EVERY PERSON COUNTS

We believe our size is an advantage because each person can see the results of their own effort in what we collectively deliver. In this way, every person counts.

To continue our success, we have to attract and retain the best people. Our aim is to be a place where people do their best work, get great opportunities, and see their contribution.

The Ministry established a five-year People Strategy in 2016, which was refreshed in 2019. As well as advancing the above objectives, it sets out how we balance the demands of managing growth without diluting our culture, recruiting for specialist capability delivery roles and improve diversity.

The Ministry is committed to treating people fairly and respectfully, ensuring equality of access to opportunities, and understanding, appreciating and encouraging the value of individual differences



## A MORE DIVERSE MINISTRY

### GENDER DIVERSITY AND THE GENDER PAY GAP

A major, continued focus is gender pay and diversity.

Our gender pay gap is caused by two major factors:

- our most senior project management leadership roles are held by males, and
- females hold more junior roles.

In past years we had many more males than females working in the Ministry. We have been successful in attracting females to join us and much of this has been into entry level policy roles. This widens our gender pay gap.

A success has been the recruitment of female project managers. Four years ago we had no female project managers.

The Ministry faces challenges in shifting its profile, and success will require sustained progress over time.

While gender balance has improved, work to reduce the Ministry's gender pay gap (33% at June 2019) is ongoing and remains the biggest challenge. The Ministry's gender pay gap is still well above the June 2018 Public Service gender pay gap of 12%.

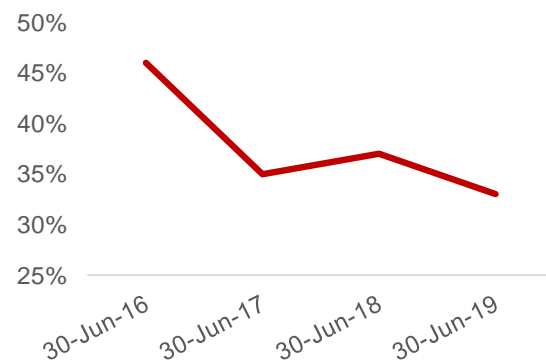


Figure 9: The Ministry's gender pay gap

The Ministry has a comprehensive gender pay gap action plan that addresses the Government’s key public sector focus areas.

We have reviewed every position in the Ministry and established that the Ministry pays males and females the same remuneration for the same work.

The proportion of Ministry staff who are females has increased from 36% in 2013 to 54% at the end of June 2019. Over the same period the percentage of females in management roles has increased from 19% to 36%.

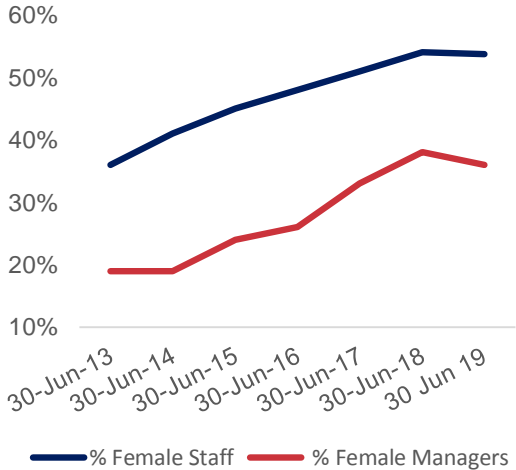


Figure 10: Proportion of female staff and managers

The Ministry has taken steps to support the careers of all staff, particularly females:

- providing secondment opportunities (in both government and private sector organisations)
- requiring shortlists for management roles to include at least one female candidate
- progressive policies that include support with parental leave and flexible working arrangements
- reimbursing some childcare costs, including when staff have to travel
- providing free flu vaccinations for dependent family members, and
- making sure that, where people have to pause their career or change hours, we help them to maintain pay and career advancement.

To work towards closing our gender pay gap, we have set the following targets:

1. To ensure that the gender makeup of the Ministry operates on a 40-40-20 basis (that is 40% males, 40% females, and the balance of 20% comprised of any group).  
*Progress: At June 2019, 54% of staff were female.*
2. To increase the percentage of female managers in the Ministry to a minimum of 40% over the next 5 years.  
*Progress: At June 2019, 36% of managers were female.*
3. That 50% of appointments made to the Capability Delivery Division each year over the next five years will be female.  
*Progress: In the year to 30 June 2019, 59% of appointments into Capability Delivery were female.*

Achieving these changes has required sustained effort for the organisation and more will be needed over the next few years to achieve the level of change we are seeking.

## IMPROVING ETHNIC DIVERSITY

One of the five priorities for our People Strategy is to improve diversity within the Ministry, under the heading “More ideas, more influence”.

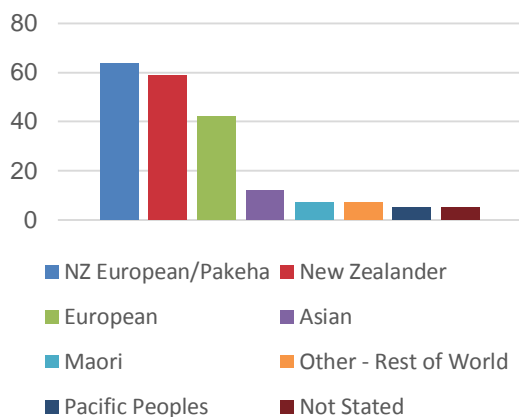


Figure 11: Ethnicities that 138 Ministry staff identified with, as at December 2018 (staff may identify with up to three ethnicities)

The Ministry has an improving level of ethnic diversity. It is still low compared to other organisations. We believe that multiple factors are contributing to this. A constraint we share with our sector partners is the security requirement that candidates meet citizenship criteria and have a checkable background history. We may not be able to achieve the level of improvement seen in other parts of government, but we have made some inroads. We acknowledge that Māori are not well represented in our workforce and we are working on how to improve this.

We have put in place the following measures:

- active participation in the cross-government Tupu Tai Pasifika summer intern programme
- promoting the Ministry as an inclusive organisation, where a variety of people would want to work

- taking part in the National Security Workforce Women and Mentoring programme – with women in both mentor and mentee roles
- training for all staff on the management of unconscious bias
- participating in a stocktake of our Diversity and Inclusion practices with the State Services Commission and Diversity Works
- actively engaging with universities so that we get in front of a broader range of people to attract them to consider working with us, and inviting human resource students to use our case studies as research projects
- surveying our staff to ascertain the ethnicities to which they identify
- updating forms to allow for the non-binary disclosure of gender
- identifying and addressing biases in the way we advertise and recruit.

## HOW WE MEASURE SUCCESS

Achieving change will take time. Our strategy is to create the conditions for success, monitor change, and learn.

We are monitoring a range of staff information, as well as indicators of how the Ministry is creating opportunities for advancement. This is shared with staff. These include:

- gender related information including gender pay gap action plan results
- turnover, by level and type of role
- tenure
- numbers of promotions within the Ministry
- development opportunities within and outside the Ministry (particularly within the National Security Workforce).

# PARTNERSHIP: DELIVERING DEFENCE CAPABILITY

## GOVERNANCE OF MAJOR DEFENCE CAPABILITY PROJECTS

Defence has a joint system of capability governance and management, reflecting the shared responsibilities of the Secretary of Defence and Chief of Defence. There are permanent governance bodies with overall system and portfolio-level governance responsibilities, as well as a number of project governance bodies that oversee the development and delivery of specific, new or enhanced capabilities.

## INTEGRATED PROJECT TEAMS

Integrated Project Teams (IPTs) are established for major capability projects. These comprise personnel from both the Ministry and Defence Force, and include professional project specialists and subject matter experts. IPTs are designed to deliver excellence in capability delivery within the New Zealand context. The IPT Leader is the single point of accountability for the success of the project.

The purpose of IPTs is to enable a collaborative way of working on major projects across the Defence Capability Management System and drive end to end thinking at the project level and across the capability portfolio.

IPT membership is based on the technical and business functions required to define, develop

and deliver a supportable capability, and is closely aligned to the requirements of the project cycle. In addition to the core team, an IPT leader is supported by a range of Defence Force and Ministry internal business partners.

This approach integrates professional project management disciplines with specialist military advice. The enhanced system provides for multiple parallel phases as projects progress through the lifecycle. It has allowed Defence to consider the procurement and sustainment for capabilities while developing the requirements. This sets up projects for success because all components for successful delivery are considered up front and together.

## PORTFOLIO, PROGRAMME AND PROJECT MANAGEMENT ACROSS DEFENCE

Portfolio, programme and project management across Defence is a distributed model with shared accountabilities and dispersed responsibilities. The Ministry has a Practice Office, which partners with the Defence Force Capability Branch Programme Management Office. The Practice Office is focused on improvements to Defence programme and project standards, techniques and processes – ensuring these new and changed functions are successful and impactful in their supporting roles, and that they can quickly operate in a highly collaborative and effective way.

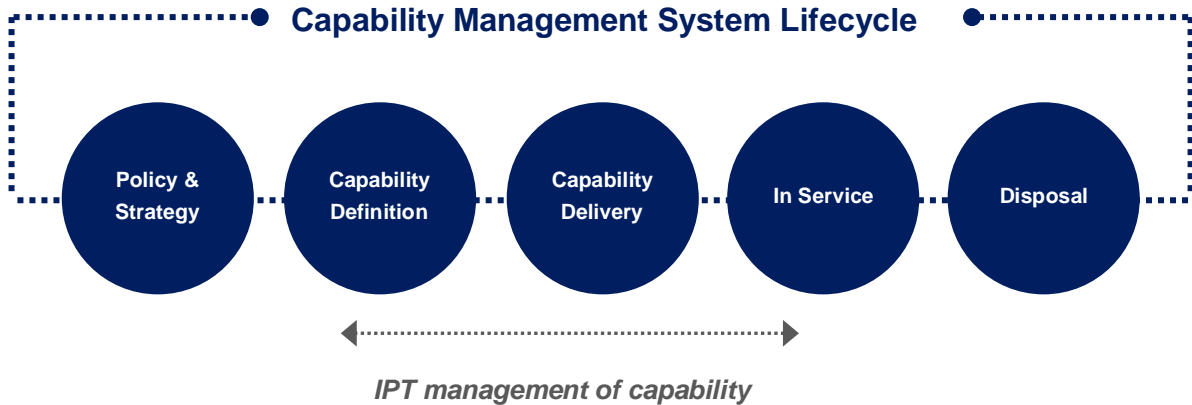


Figure 12: How integrated project teams fit in the lifecycle of a defence capability

