



New Zealand
**MINISTRY
OF DEFENCE**
Manatū Kaupapa Waonga

MINISTRY OF DEFENCE

Manatū Kaupapa Waonga



STATEMENT OF INTENT

Tauākī Whakamaunga Atu

2020-2024

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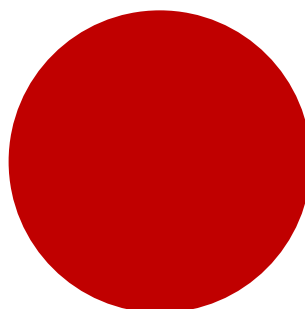
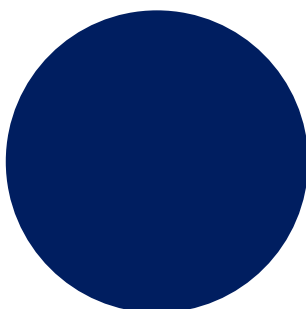


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Cover page: HMNZS *Aotearoa*
This page: Lockheed Martin's C-130 construction facilities

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FOREWORD BY THE MINISTER OF DEFENCE

HE MIHI NĀ TE MINITA KAUPAPA WAONGA



The COVID-19 pandemic has had widespread impacts on communities across New Zealand and around the globe including for public health, economic activity, and global supply chains. Defence needs to continue to provide support for the wellbeing and resilience of our communities and nation and contribute to the maintenance of the international rules-based order.

Defence will need to work collectively with our partners and our regional Pacific neighbours to meet security challenges. The Ministry's Advancing Pacific Partnerships Defence Assessment released last year presented a vision for an inter-generational investment for a secure, stable and resilient Pacific, achieved by advancing our partnerships and supporting existing security architectures. New Zealand is both in and of the Pacific, and our security and wellbeing are intrinsically bound to the peace and stability of the region. The challenges in our immediate region, include climate change, economic resilience and human development, as well as a more contested strategic environment. As Minister of Defence, it has been a priority of mine to articulate the significant security challenges climate change will present for New Zealand Defence.

Maintaining engagement with a range of international counterparts has been a priority during the COVID-19 pandemic with virtual calls and meetings taking the place of in-person visits. New Zealand values our international relationships and I am committed to strengthening and broadening them where possible through more regular interaction and cooperation.

Another priority for me has been to ensure that the service men and women of the Defence Force have the capability to carry out the tasks that Government asks of them. We have delivered the greatest injection of defence funding in decades, with the Ministry now delivering a military capability investment portfolio of over \$4 billion. The decision to purchase five C-130J-30 Super Hercules transport aircraft to replace the current ageing fleet and the earlier decision to procure four P-8 Poseidon maritime patrol aircraft are once in a generation investments in the Defence Force. Both

of these projects include infrastructure development that will benefit New Zealand industry. The P-8 Poseidon infrastructure work underway at Ōhakea Air Force Base is a boost for the Manawatu economy, with around 300 construction workers engaged. This work is expected to be finished by early 2022 with the delivery of the aircraft expected from 2023. The first of the new Hercules will be delivered in 2024.

The Navy's new dive and hydrographic vessel, HMNZS *Manawanui* has been successfully conducting sea trials in New Zealand and is proving to be a highly capable vessel. This vessel will be a game-changer for the disaster relief, search and recovery, and explosives disposal work the Defence Force does in the South Pacific region.

In June we welcomed the Royal New Zealand's Navy's newest addition to its fleet HMNZS *Aotearoa*. *Aotearoa* will provide global sustainment to New Zealand and coalition forces, as well as United Nations security operations. She boasts state of the art features that include ice-strengthening and winterisation features, meaning this capability will be able to sustain New Zealand's presence in the Antarctic.

These investments will provide clear, tangible benefits to the Defence Force in the years to come. They will enable our personnel to continue to support the wellbeing, prosperity and security of New Zealand, our communities and our world at large.

The Ministry has a critical role in delivering these investments successfully and keeping Government fully aware and informed through the provision of comprehensive and robust advice.

The Ministry will work with the Defence Force, other agencies and Ministers to support the implementation of the four recommendations from the Operation Burnham Inquiry Report, which the

Government has accepted in principle. This work will enhance transparency and trust in Defence activities.

The Ministry's assessments on the international strategic environment, and advice on possible implications for New Zealand's interests and Defence Force capabilities, will ensure Defence is well placed to respond to global security challenges. These challenges have broadened, from rapid geostrategic change to complex disruptors such as:

- climate change, with the consequential impacts, including more extreme wildfires and resource competition, and
- new biological hazards and threats, notably COVID-19. COVID-19 is exacerbating existing challenges, and is a particular threat to fragile economies and health systems in the Pacific.

The Ministry must maintain a broad analytical focus on traditional and new security challenges to ensure it provides enduring value in changing times.



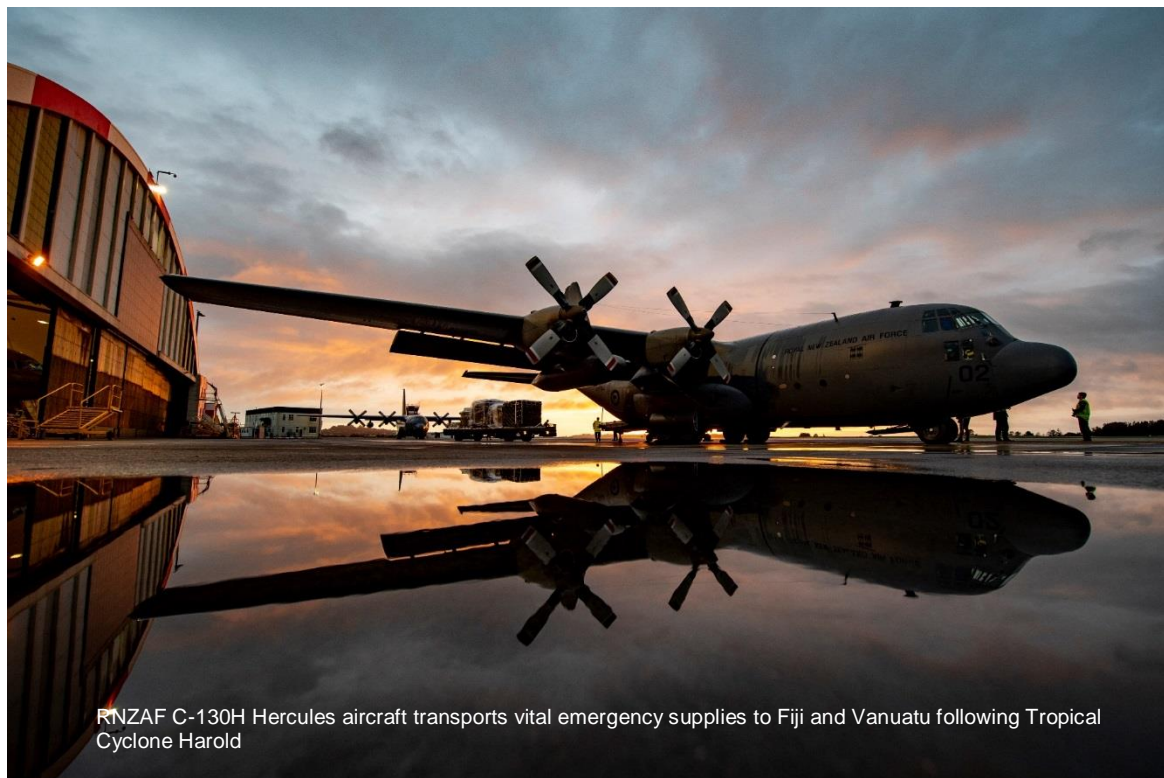
Hon Ron Mark
Minister of Defence
Minita Kaupapa Waonga

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.



Hon Ron Mark
Minister of Defence
Minita Kaupapa Waonga



RNZAF C-130H Hercules aircraft transports vital emergency supplies to Fiji and Vanuatu following Tropical Cyclone Harold

INTRODUCTION BY THE SECRETARY OF DEFENCE HE KUPU WHAKATAKI NĀ TE HĒKERETARI KAUPAPA WAONGA



The Ministry of Defence's *Statement of Intent Tauākī Whakamaunga Atu 2020-2024* articulates the Ministry's strategy and our priorities for the next four years. It is being published at a time of uncertainty as a result of the COVID-19 pandemic. Although the full impact and implications will only become clear over time, the spread of COVID-19 is exacerbating a range of global security and economic challenges impacting on both our strategic and operating environments.

The Ministry plays an important role in ensuring the Government is positioned to respond to the challenges that lie ahead. We do this through our policy and assessment programmes, providing advice on international defence relationships and deployments, the development and delivery of military capability, and our system assessments.

Ensuring New Zealand retains its reputation as a credible, valued defence partner is of crucial importance during this period of uncertainty.

Despite the challenges presented by the COVID-19 pandemic, we are continuing to engage with our international counterparts through teleconferencing and other forms of virtual engagement.

The Ministry is delivering a significant portfolio of capability projects, representing an investment of over \$4 billion. This includes the once in a generation investments to replace our P-3K2 maritime patrol aircraft and C130H Hercules transport aircraft. The procurement of the four P-8A Poseidon aircraft and related infrastructure is progressing well, with the aircraft due to be delivered and enter into service from 2023. The first of the new C-130J-30 Super Hercules will be delivered in 2024.

While the Defence Capability Plan forecasts replacing all of the Defence Force's major capabilities, it may not be a case of like-for-like replacement. The transition to the next generation of military capability is substantial and the replacement of our dive and hydrographic vessel and maritime sustainment capability shows the Defence Force of tomorrow may be very different. The Ministry will ensure the Defence Capability 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 recognition of the significance of our work an additional \$7.6 million of funding over four years was secured for the Ministry to meet increased policy demands, enhancing tools to manage the highly dynamic capability investment portfolio and address cost pressures. This funding will enable us to increase our skills and expertise in these important areas.

The Ministry and its staff are focussed on responding to the challenges of the current global environment and through our work ensuring the safety, security and prosperity of New Zealand.

A handwritten signature in black ink, appearing to read 'Andrew Bridgman'. The signature is fluid and cursive, written on a white background.

Andrew Bridgman
Secretary of Defence
Hēkeretari Kaupapa Waonga

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.

A handwritten signature in black ink, appearing to read 'Andrew Bridgman'. The signature is fluid and cursive, written on a white background.

Andrew Bridgman
Secretary of Defence
Hēkeretari Kaupapa Waonga





THE GOVERNMENT'S DIRECTION FOR DEFENCE
Te Aronga a te Kāwanatanga mō ngā Kaupapa Waonga



The *Strategic Defence Policy Statement 2018* sets out the policy objectives for Defence, which is made up of two agencies: the Ministry of Defence and the New Zealand Defence Force.¹ In addition to guiding operational decision-making, it provides the policy basis for further work to identify and define the Defence capabilities required to give effect to the Government’s intentions.²

The Policy Statement introduces the *Community, Nation* and *World* framework that explains the value Defence provides to New Zealand.

<p>Community</p> <p>Defence supports New Zealand’s community and environmental wellbeing and resilience</p>	<p>Nation</p> <p>Defence promotes a safe, secure, and resilient New Zealand, including on its borders and approaches</p> <p>Defence contributes to maintaining New Zealand’s prosperity via secure air, sea and electronic lines of communication, and secure access to space-based services</p>	<p>World</p> <p>Defence contributes to the maintenance of the international rules-based order</p> <p>Defence contributes to New Zealand’s network of strong international relationships</p>
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Three key forces are identified that affect 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 Policy Statement also identifies the following principal roles for the Defence Force to deliver:

- 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

¹¹ 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.

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

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

Six principles describe 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

The *Defence Capability Plan 2019* sets out the planned investments in the New Zealand Defence Force out to 2035.³³ Delivering on these investments will provide the Defence Force with the capabilities required to give effect to the policy intentions in the Policy Statement.

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.

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. This includes the key platform replacements – including purchase of five C-130J-30 Super Hercules transport aircraft to replace the existing fleet of C-130H Hercules, and four P-8A Poseidon maritime patrol aircraft to replace New Zealand's aging P-3K2 Orion fleet.



³³ The *Defence Capability Plan 2019* is available from the Ministry's website at www.defence.govt.nz/publications/publication/defence-capability-plan-2019.



The Network Enabled Army Programme conducts a capability demonstration



OUR ROLE
Tā Mātou Mahi



OUR ROLE AND FUNCTIONS

Ko mātou ngā kaitohutohu matua ki te kāwanatanga mo ngā kaupapa waonga. Nā mātou hoki, ngā taputapu nunui i hoko, hei āheitanga i roto i ngā ringa o ngā tāne me ngā wahine o Te Ope Kātua o Aotearoa.

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

To carry out our role, the Ministry:

- provides analysis and advice on New Zealand’s national security and defence interests and challenges, across both the short and long terms
- advises the Government on how our Defence Force can meet current challenges (such as potential deployments) and possible future challenges
- purchases major defence equipment for use by the Defence Force as a defence capability⁴
- builds and maintains strong defence relationships internationally
- advises on Defence’s performance and effectiveness as a system.



⁴⁴ In the Defence context, ‘capability’ refers to the personnel, equipment, platforms, and/or other resources that affect the capacity to undertake military operations.

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

WE INFORM AND IMPLEMENT THE GOVERNMENT’S POLICY FOR DEFENCE

The Ministry develops a view of the strategic environment and alignment of New Zealand’s defence settings to long-term 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. This direction sets the roles and tasks the

Defence Force is expected 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. This includes the Defence Capability Plan that 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, as each investment is subject to approval of a business case that justifies the proposed investment and funding being available through the Budget process.



Figure 1: How the Ministry informs and implements the Government’s policy for Defence

WE WORK IN PARTNERSHIP WITH THE DEFENCE FORCE

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.

The separation between the two agencies is part of New Zealand’s constitutional arrangements.

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 Ministry maintains 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 on the deployment of Defence Force personnel, and decisions with long-term implications regarding the capabilities 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.

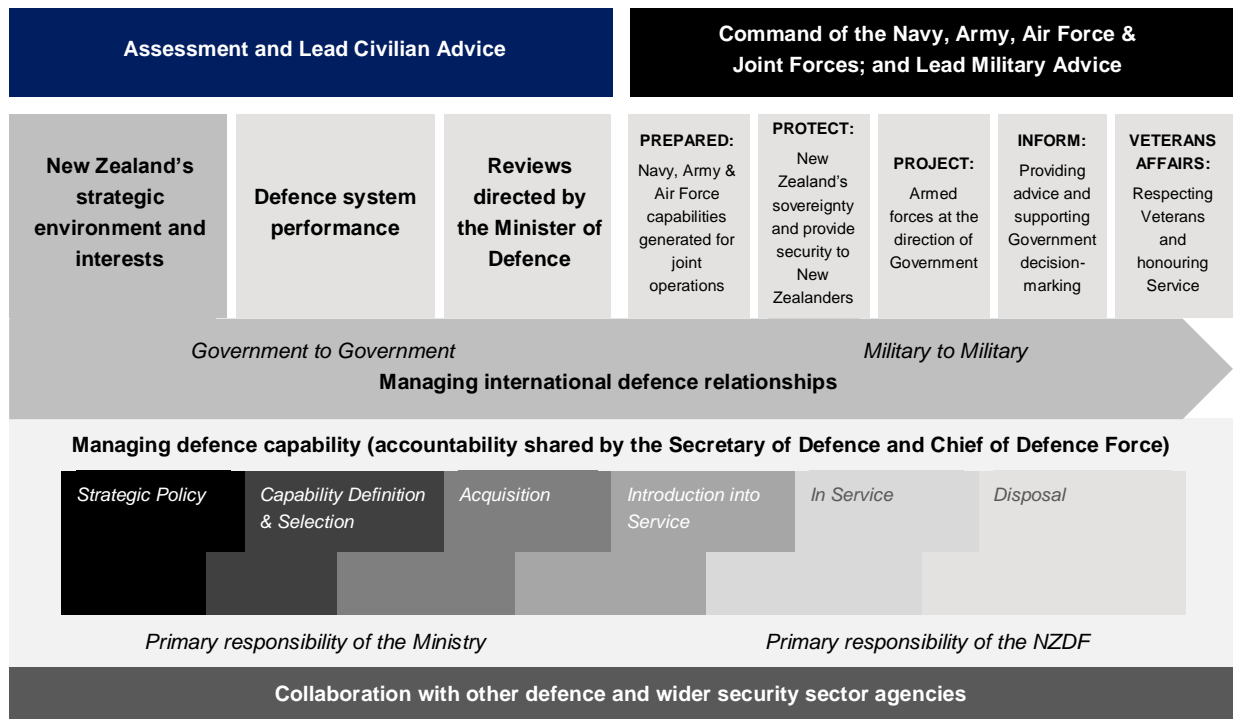


Figure 2: Respective roles of the Ministry of Defence and New Zealand Defence Force

WE ARE PART OF 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.



The Ministry engages with a number of government agencies to deliver its work.

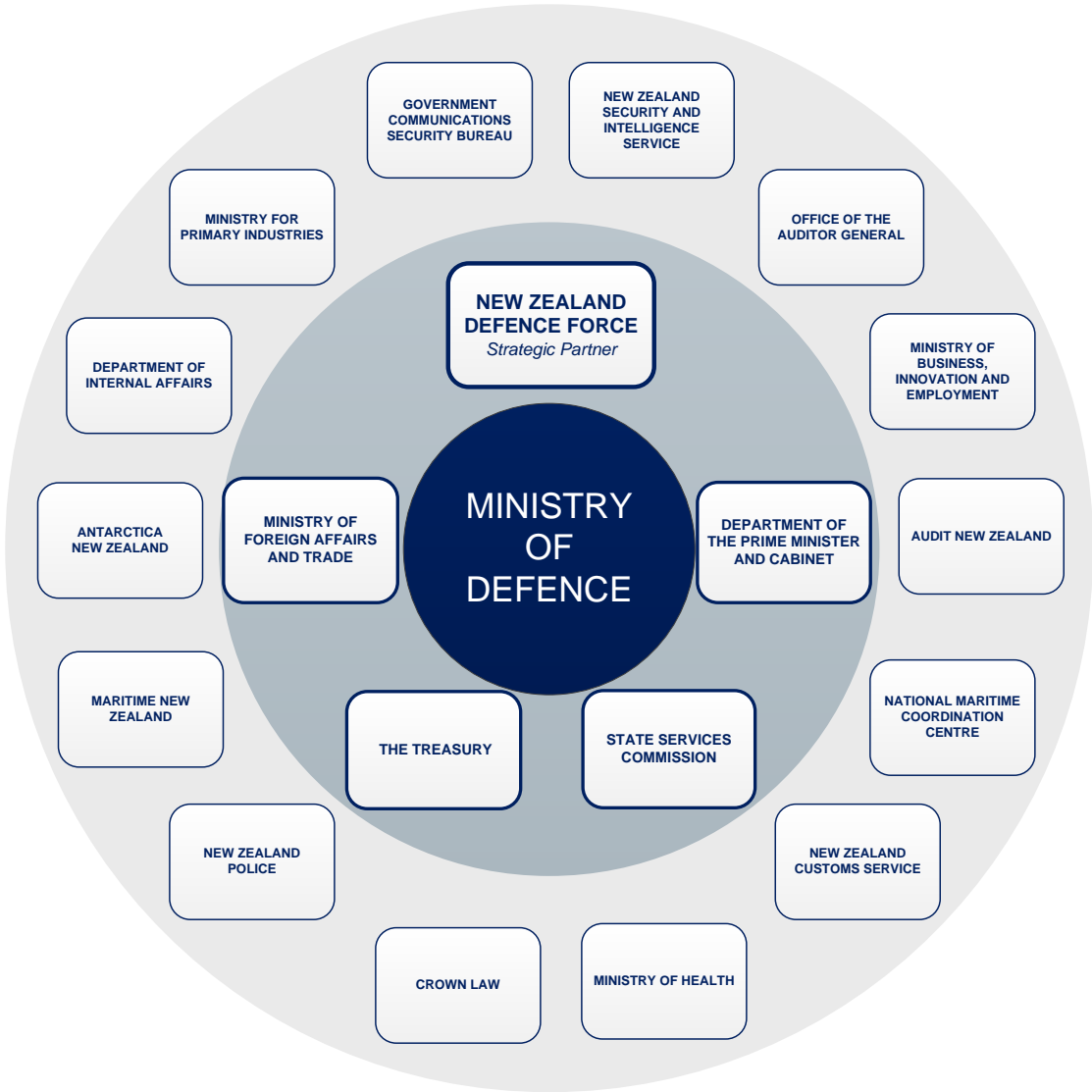


Figure 3: Government agencies that the Ministry works with

OUR CUSTOMERS

The Ministry’s work programme is often determined directly by Ministerial and Cabinet decisions.

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:** We deliver policy advice and assessments.
- **Users of Defence Platforms:** We deliver safe, effective systems and equipment that become a defence capability for New Zealand when used by Defence Force service men and women.



OUR STRATEGIC DIRECTION
Tō Mātou Aronga Rautaki



OUR 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 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 continues to navigate an increasingly complex and dynamic international security environment. The rapid onset and global spread of the COVID-19 pandemic has resulted in further strain on the international rules-based order, which is the foundation of our security.

The pandemic is intensifying existing geopolitical trends and exacerbating a range of security challenges. Although the full impact and implications for global security will only become clear over time, the spread of COVID-19 has accentuated geopolitical shifts, tested the robustness of democratic governance, and increased social inequalities.

COVID-19 is having an extreme impact on the global economy. The World Bank is forecasting the worst global recession since World War II and global unemployment is expected to rise to its highest level since 1965.

The pandemic has reinforced that 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 small or weak states, and are forces for disorder.

Pacific Island countries, in particular, are confronting the effects of the combination of complex disruptors, and are at the front line of the intensifying impacts of climate change. The region is likely to require more humanitarian assistance and disaster relief, stability operations, and search and rescue missions in the next decade. Working in partnership with our Pacific neighbours to enhance security and resilience will remain of paramount importance.

Further afield, supporting stability in the Asia-Pacific, from countering violent extremism in Southeast Asia to the de-nuclearisation of North Korea remain important to uphold regional security.

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 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.

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 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 is an active and influential lead agency within the external and security sector that provides accurate, well-considered advice on New Zealand's defence and security interests and choices in a dynamic strategic environment. It does 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 is known and respected for the way it partners with others to amplify its influence well beyond its size. This is exemplified in its partnership with the Defence Force, and seen in its relationships with the wider sector, central agencies, academia and defence industry.

The Ministry is highly regarded for its understanding of security and defence in a changing world, and

has actively pursued government-to-government defence relations keeping pace with a changing strategic context. Its efforts have shaped stakeholders' understanding of New Zealand's role in regional and international security contexts, and the contribution defence and security makes to the security and wellbeing of New Zealanders.

Government to government relationships are viewed and managed as an important part of the total relationship with New Zealand's international partners.

The Ministry, in partnership with the Defence Force, will have achieved its goal of being recognised as an international exemplar for defence capability management. Defence capability projects are delivered on time, to budget, and to quality standards.

The Ministry's performance is sustained through a culture and organisational systems that measure performance and benefits, and drive continuous improvement.

The Ministry's values 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 attracts people with diverse backgrounds and perspectives. Its diversity and inclusive behaviours help it to be adaptable, respond quickly to changes in its environment, and reinforce its reputation for transparency and ethical behaviour.

OUR STRATEGIC PRIORITIES

Ō Mātou Rautaki Whakaarotau

The Ministry has four strategic priorities. Our achievements are often through influence and over the longer term. As such, our measures involve an element of judgement. We 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. This is primarily delivered through priorities 1–3. Priority 4 addresses work to improve the Defence system, and work that underpins the way the Ministry works across all areas of its activity.

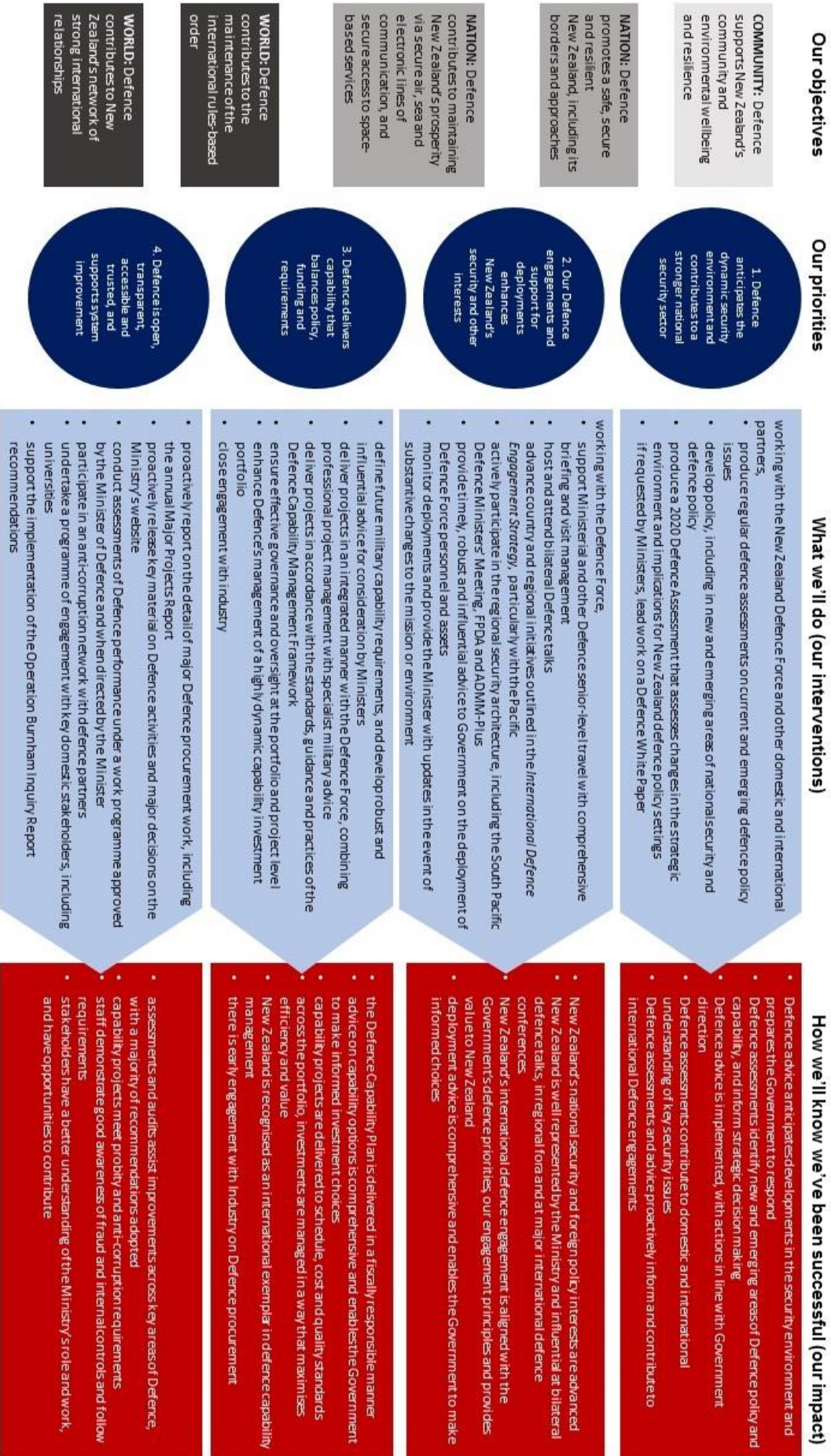
1. Defence anticipates the dynamic security environment and contributes to a stronger national security sector

2. Our Defence engagements and support for deployments enhances New Zealand’s security and other interests

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

4. Defence is open, transparent, accessible and trusted, and supports system improvement

THE MINISTRY'S STRATEGY SUMMARISED



1

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

What we'll do

working with the Defence Force and other domestic and international partners,

- produce regular defence assessments on current and emerging defence policy issues
- develop policy, including in new and emerging areas of national security and defence policy
- produce a 2020 Defence Assessment that assesses changes in the strategic environment and implications for New Zealand defence policy settings
- if requested by Ministers, lead work on a Defence White Paper

Advice on the strategic outlook and assessment

Work on major five-yearly Ministry-led Defence Assessments is augmented by a cycle of smaller, more focused assessments on emerging issues. 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 able to keep pace with changes in the international strategic environment and their possible implications for New Zealand's national

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.

How we'll know we've been successful

- Defence advice anticipates developments in the security environment and prepares the Government to respond
- Defence assessments identify new and emerging areas of Defence policy and capability, and inform strategic decision making
- Defence advice is implemented, with actions in line with Government direction
- Defence assessments contribute to domestic and international understanding of key security issues
- Defence assessments and advice proactively inform and contribute to international Defence engagements

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.

Defence Policy contributes to the Ministry's international defence engagements and leads initiatives in academic outreach in an effort to be better informed on the international security environment and to equally make contributions to the wider understanding of key security issues – from space and cyber to climate change.

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 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 roles and tasks. These will support Defence Force's planning activities, including for capability development and contingency planning.

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 Government's strategic policy for Defence, which identifies the priorities and principal task expectations for the Defence Force.

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

The Ministry worked alongside the Defence Force to produce *Responding to the Climate Crisis: An Implementation Plan*, which was released in November 2019. The Implementation Plan highlights Defence's current efforts and commitments relating to climate change, and how we will grow best practice and raise our ambition over time. Defence has developed a four pillar model – Respond, Adapt, Mitigate and Engage – to capture the 2018 recommendations and advance Defence's work on climate change. The plan identifies next steps Defence will take to prepare for the challenges climate change will bring over the next decade.

Policy implementation related to further 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.



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, such as whole-of-government activity on contemporary security issues such as space and cyber policy issues. The Ministry has a leadership role in representing New Zealand's interests in the Combined Space Operations Initiative, and is working closely with a range of New Zealand government agencies to build space capability and expertise.

2

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

What we'll do

working with the Defence Force,

- support Ministerial and other Defence senior-level travel with comprehensive briefing and visit management
- host and attend bilateral Defence talks
- advance country and regional initiatives outlined in the *International Defence Engagement Strategy*, particularly with the Pacific
- actively participate in the regional security architecture, including the South Pacific Defence Ministers' Meeting, Five Power Defence Arrangements and ASEAN Defence Ministers' Meeting-Plus
- provide timely, robust and influential advice to Government on the deployment of Defence Force personnel and assets
- monitor deployments and provide the Minister with updates in the event of substantive changes to the mission or environment

International engagement

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.

Working with the Defence Force, the Ministry has developed an overarching *International Defence Engagement Strategy* that reflects Government priorities for Defence.

How we'll know we've been successful

- New Zealand's national security and foreign policy interests are advanced
- New Zealand is well represented by the Ministry and influential at bilateral defence talks, in regional fora and at major international defence conferences
- New Zealand's international defence engagement is aligned with the Government's defence priorities, our engagement principles and provides value to New Zealand
- deployment advice is comprehensive and enables the Government to make informed choices

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*

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

- identify and track initiatives that 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.

The impact of COVID-19 on international defence engagement

COVID-19 has greatly affected the international defence engagement environment. Despite the challenges presented by the pandemic, we are continuing to engage with our international counterparts through teleconferencing and other forms of virtual engagement.

Defence engagement initiatives have been reviewed to ensure they are flexible, resilient and sustainable, and meet the evolving nature of each country's pandemic situation and response.

The Ministry is working with other government agencies to determine what support our partners, particularly those in the Pacific need. Once international travel has returned to normal, engagements with Defence partners will be appropriately prioritised and support our enduring broader defence, security and foreign policy objectives.



2020 ASEAN Regional Forum Security Policy Conference by videoconference during the COVID-19 lockdown



Papali'i Monalisa Tiai-Keti speaks at the 2019 Women, Peace and Security Summit

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.

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.

3

DEFENCE DELIVERS CAPABILITY THAT BALANCES POLICY, FUNDING AND REQUIREMENTS

What we'll do:

- define future military capability requirements, and develop robust and influential advice for consideration by Ministers
- deliver projects in an integrated manner with the Defence Force, combining professional project management with specialist military advice
- deliver projects in accordance with the standards, guidance and practices of the Defence Capability Management Framework
- ensure effective governance and oversight at the portfolio and project level
- enhance Defence's management of a highly dynamic capability investment portfolio
- close engagement with industry

How we'll know we've been successful:

- the Defence Capability Plan is delivered in a fiscally responsible manner
- advice on capability options is comprehensive and enables the Government to make informed investment choices
- capability projects are delivered to schedule, cost and quality standards
- across the portfolio, investments are managed in a way that maximises efficiency and value
- New Zealand is recognised as an international exemplar in defence capability management
- there is early engagement with Industry on Defence procurement

LONG-TERM CAPABILITY PLANNING

Defence's long term investment planning 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 continues to enhance and strengthen the analytical tools employed, including the use of scenarios to assess future capability requirements.

The *Defence Capability Plan 2019* sets out the indicative planned investments in the Defence Force out to 2030, as well as identifying potential investments to be made after 2030. It 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 are intended to be reassessed ahead of a new Defence White Paper anticipated for 2022. This will be a matter for Cabinet to determine.

Delivering on these investments will provide the Defence Force with the capabilities required to give effect to the Government's policy intentions, improving the overall ability of the Defence Force to respond to the strategic environment.

The timing and description, and cost of individual capability investments in the Plan are indicative. Investment intentions are subject to Cabinet approval of 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.

DEFINING AND SELECTING MILITARY CAPABILITY

The Ministry and Defence Force work together to define the future Defence capabilities that are

required, and then prepare business cases to enable Government to make an investment decision. Using the Government's Better Business Case model, projects progress through the stages of the investment process, supported by business cases at each stage – from initial thinking in the

Indicative Business Case, a decision to go to market through the Detailed Business Case or Single-Stage Business Case, and then the final decision on the capability through the Project Implementation Business Case.



A depiction of the C-130J-30 Super Hercules

DELIVERING CAPABILITY

In the period of this Statement of Intent, the Ministry will deliver two once-in-a-generation platform replacements:

- four P-8A Poseidon maritime patrol aircraft to replace the P-3K2 Orion fleet
- five C-130J-30 Super Hercules transport aircraft to replace the current Hercules fleet.

As with the Poseidons, the Super Hercules will be delivered through the US Foreign Military Sales process. Delivery of the Poseidons will commence in 2023, and the Super Hercules in 2024.

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 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.

While the Plan forecasts replacing all of the Defence Force's major capabilities, it will not be a case of like-for-like replacement. The transition to the next generation of military capability is substantial and the replacement of our dive and hydrographic vessel and maritime sustainment capability shows the Defence Force of tomorrow will be very different. All Defence capabilities are now dependent on information capabilities. Space-based systems are increasingly relied on for communication, navigation and transport, and the management of infrastructure. The Defence Force's capacity to process, analyse and distribute information needs to be enhanced to match the greater levels of data able to be gathered from upgraded intelligence, surveillance and reconnaissance platforms.

CAPABILITY PORTFOLIO MANAGEMENT

Defence's capability portfolio management helps develop a range of options for Government around the structure, scope and sequencing of investments. This means that long-term planning better reflects

dependencies between capabilities, the impact of the timing of investments to the Defence Force, and a variety of constraints on the delivery of investments including human resources, and broader Government budgetary priorities.

Capability portfolio management supports management across three levels:

- maximising the overall efficiency of delivery of investments
- prioritising the progression of planned investments
- ensuring alignment of investments to the Government's policy objectives.

Portfolio management is an important link between the planned investments and those projects that are already in delivery, as it ensures that new investment decisions are made without compromising on the performance of those that have progressed to delivery.

Defence continues to enhance whole of life costing for capabilities, to support decision making. As part of portfolio management, Defence is developing a framework to quantify cost uncertainty. This framework will ensure decision makers are advised of the level of uncertainty around prospective investments in order to inform risk management strategies.

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.

The impact of the COVID-19 pandemic on defence industry and capability delivery

The relationship between Defence and industry is fundamental to delivering major defence capability. The Ministry continues to assess the ongoing impact of the COVID-19 pandemic on Defence industry and Defence capability delivery.



HMNZS *Te Kaha* arrives in Canada

ENGAGING WITH INDUSTRY

Annual capital expenditure on Defence capability and infrastructure will reach \$1 billion in 2020/21. The partnership this creates with Defence industry is deep and wide-ranging. Given the scale and complexity of the Government's investment in Defence capability, prime contractors tend to be large international suppliers. The opportunities, however, for New Zealand companies to partner with prime contractors in the acquisition and through-life support of the capabilities acquired by the Ministry are significant.

Defence is refreshing how the opportunities are communicated to Industry. Published in 2016, the

Defence engagement strategy, *Smart Customers and Smart Suppliers*, will be refreshed with a focus on the period to 2025. As we recover from COVID-19, a priority will be to give industry a more detailed view of the investment pipeline in Defence and the individual opportunities within Defence projects.

As a source of commercial knowledge and engineering and scientific expertise, there is also a role for Defence industry and academic institutions to work with the Ministry to reduce project risk and improve system performance, as well as future-proofing Defence capability solutions.



A depiction of the P-8A Poseidon

4

DEFENCE IS OPEN, TRANSPARENT, ACCESSIBLE AND TRUSTED, AND SUPPORTS SYSTEM IMPROVEMENT

What we'll do

- proactively report on the detail of major Defence procurement work, including the annual Major Projects Report
- proactively release key material on Defence activities and major decisions on the Ministry's website
- conduct assessments of Defence performance under a work programme approved by the Minister of Defence and when directed by the Minister
- participate in an anti-corruption network with defence partners
- undertake a programme of engagement with key domestic stakeholders, including universities
- support the implementation of the Operation Burnham Inquiry Report recommendations

How we'll know we've been successful

- assessments and audits assist improvements across key areas of Defence, with a majority of recommendations adopted
- capability projects meet probity and anti-corruption requirements
- staff demonstrate good awareness of fraud and internal controls and follow requirements
- stakeholders have a better understanding of the Ministry's role and work, and have opportunities to contribute

TRANSPARENCY OF DEFENCE DECISIONS

Given the nature of the Ministry's work it is essential that it operates in an open, transparent and high-integrity environment.

We communicate to the public information about Defence activities, particularly Defence policy settings, decisions on the deployment of Defence Force personnel, and Defence capability decisions. The main channel for this information is the Ministry's website.

In addition to proactively publishing defence advice to Cabinet and the associated 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.

Implementing recommendations from the Inquiry into Operation Burnham

The Operation Burnham Inquiry Report has four recommendations:

- An expert advisory group should look at the Defence Force's organisational structure, record-keeping and retrieval processes to assure the Defence Minister they meet international best practice.
- An office of the Independent Inspector-General of Defence (located outside of the Defence Force organisational structure) should be established to facilitate independent oversight of the Defence Force and enhance its democratic accountability.
- A Defence Force Order should be promulgated setting out how allegations of casualties should be dealt with in-theatre and in New Zealand.
- The Government should set effective detention policies and procedures in relation to people detained by, or with the involvement of, New Zealand forces overseas and how allegations of torture by such persons are treated.

The Government has accepted these recommendations in principle. The Ministry will work with the Defence Force and other government agencies as they are progressed, and will support reporting to Ministers on implementation.

OPERATING IN A HIGH INTEGRITY ENVIRONMENT

The Ministry regularly communicates with staff on the importance of always acting ethically, with integrity and honesty, in accordance with expectations of the public service. Staff are required to demonstrate probity and good judgement when committing funds. The Leadership Team provides governance of the policies and actions that comprise the internal control and fraud control frameworks. Policies are regularly reviewed to ensure they are based on contemporary practice.

We participate in the Five Country Defence Fraud and Anti-Corruption Network. The Ministry also engages with external agencies and partners to identify best practice in fraud and corruption control.

REVIEWING DEFENCE ACTIVITIES

The Defence Act requires the Secretary to arrange for the assessment and audit of any function, duty, or project of the Defence Force, and of the Ministry in regard to military procurement. This function plays an important constitutional role in ensuring the Secretary can discharge their accountabilities in providing civilian advice to the Minister, by ensuring Defence outputs are delivered and advice is aligned with wider government objectives.

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 may also direct that reviews be carried out.

Case Study: Review of the Summary Trial System

This Ministry undertook a review of the military justice summary trial system that asked: *“Does NZ’s system ensure discipline while also ensuring fairness? Does the system also meet the other tenets of military justice: is it efficient, simple, expeditious and portable across all operational environments?”* The summary trial system is the first stage of the military justice system and the primary means by which discipline is achieved in the Defence Force.

The work involved a desktop review and interviews and workshops with disciplinary officers, presenting officers, defending officers, investigators, legal officers, victims and persons charged with offences. All judgments of the Summary Appeal Court since 2009 were examined.

The review found that overall the summary trial system is working reasonably well, and works best for the middle range of offences (such as disobeying a lawful command and avoidance of duty). It identified a number of issues at the lower and higher ends of the offending spectrum, including:

- fairness of constraints for victims and defendants in respect of serious offences
- the system being too complex and time-consuming for minor offences
- a lack of expertise to deal with serious criminal offences
- a lack of flexibility in the system
- delays affecting fairness
- the need to improve the level of skill of those preparing preliminary investigations or running trials, and to further enhance fairness by moving the system into further alignment with international approaches to the application of human rights, and
- issues in relation to the search power under the Act.

The review made 17 recommendations

ENHANCING DOMESTIC ENGAGEMENT

The Ministry engages with a range of stakeholders. Information about how we work with Defence industry is set out under strategic priority 3.

Another important group of stakeholders is the academic community. The Ministry engages with the academic community as it undertakes strategic assessment activity, to test assumptions and

thinking. 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 framework to enhance, direct and prioritise its engagement with stakeholders in New Zealand.





4

OUR CAPABILITY

Ō Mātou Āheinga



WHO WE ARE

The Ministry is a civilian agency of about 160 staff, based in Wellington. Our numbers have grown from around 60 staff employed in 2015. Our staff come from a variety of backgrounds. We employ policy advisors and analysts, corporate and finance staff. Our capability delivery staff include project management professionals who lead multi-million

dollar projects which acquire military equipment for the Defence Force.

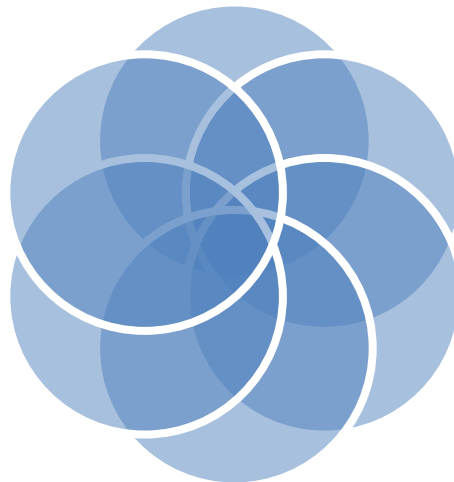
The Ministry's culture and the way we work is important to the organisation.

Our values are:

Professional, kia ngaio
People know us for our integrity, skills and attitude

Pragmatic, kia whaikupu
We find a way; we are practical, resourceful, and hard-nosed

Influential, kia whai mana
Our work shapes the agenda and our advice is persuasive



Collaborative, kia mahi tahi
We work together and in partnership. We build trusted relationships to understand what's going on and get things done

Courageous, kia kaha
We do the right thing, even when that is personally and professionally hard

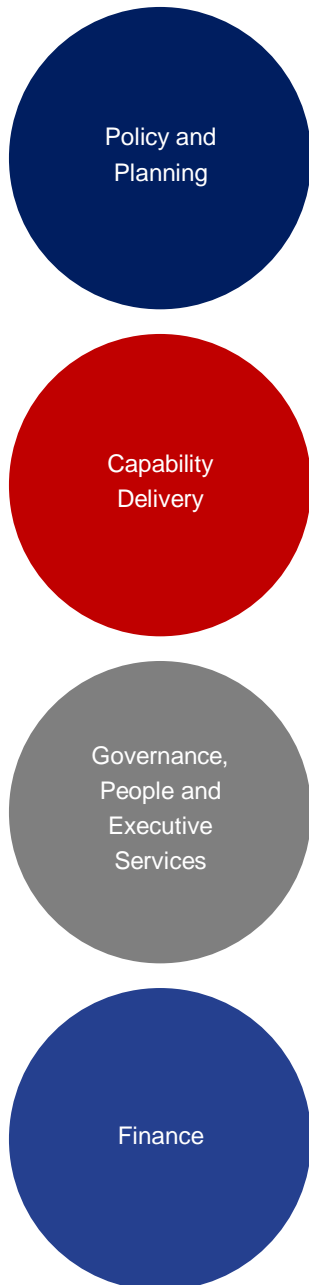
Dynamic, kia hihiri
We see where change will improve results, we self-start it, and we see it through

HOW WE ARE ORGANISED

The Ministry is organised around its civilian advice and capability delivery roles.

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.

The Ministry is made up of four divisions:



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 recognised.

The Ministry has a five-year People Strategy. It has five priorities:

- recruiting for excellence – finding the best people and setting them up for success
- a conversation, an aspiration, a plan, a career – investing in each person’s development
- more ideas, more influence – growing and harnessing diversity and building inclusion
- building system and sector leaders – helping our people understand their role as part of the sector and public service
- shaping a strong culture – living our spirit and character along with a spirit of public service.

The majority of the Ministry’s departmental costs are on personnel.

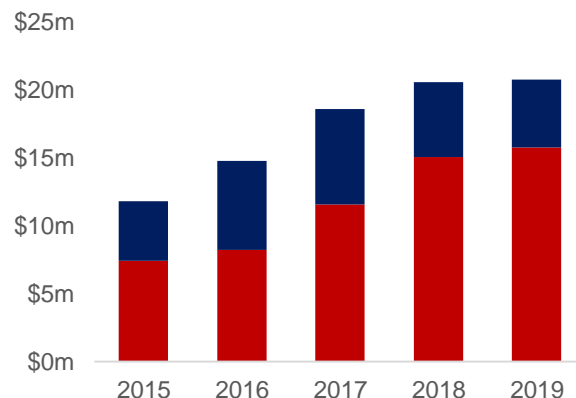
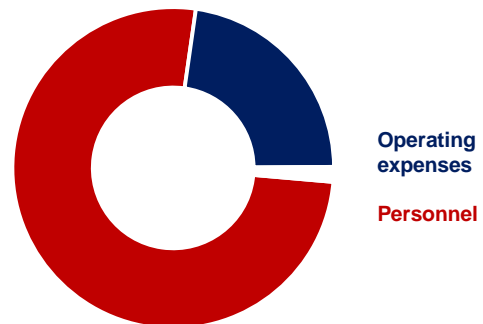


Figure 5: Departmental expenditure by category in 2018/19 and over five years

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.

As part of Budget 2020, the Ministry has received additional operating funding of \$7.6 million over four years. This will address cost pressures and enable the recruitment of additional personnel to:

- improve the portfolio efficiency and risk management for major capability projects
- meet additional policy demands in a changing strategic climate and supporting increased international defence engagement.

DEPARTMENTAL APPROPRIATION

The Ministry's operations are managed through three appropriations:

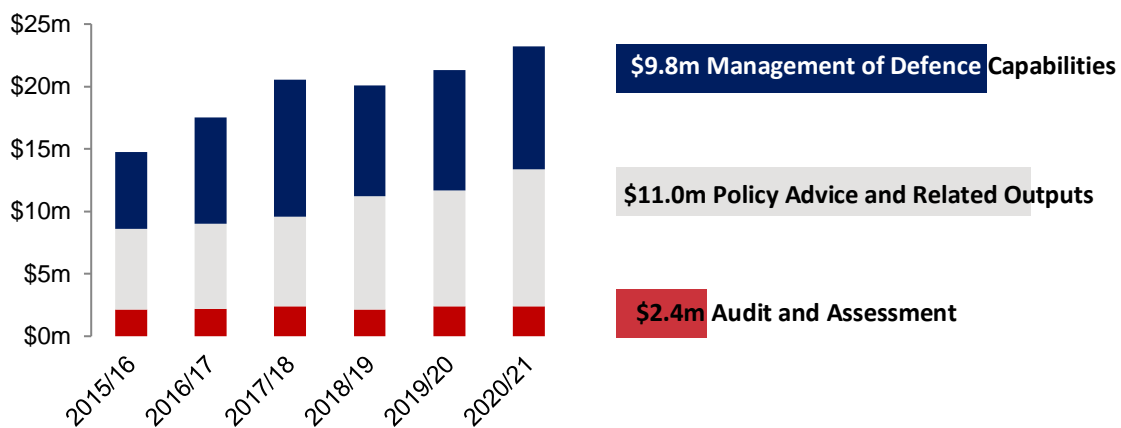


Figure 6: The Ministry's departmental expenditure

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.

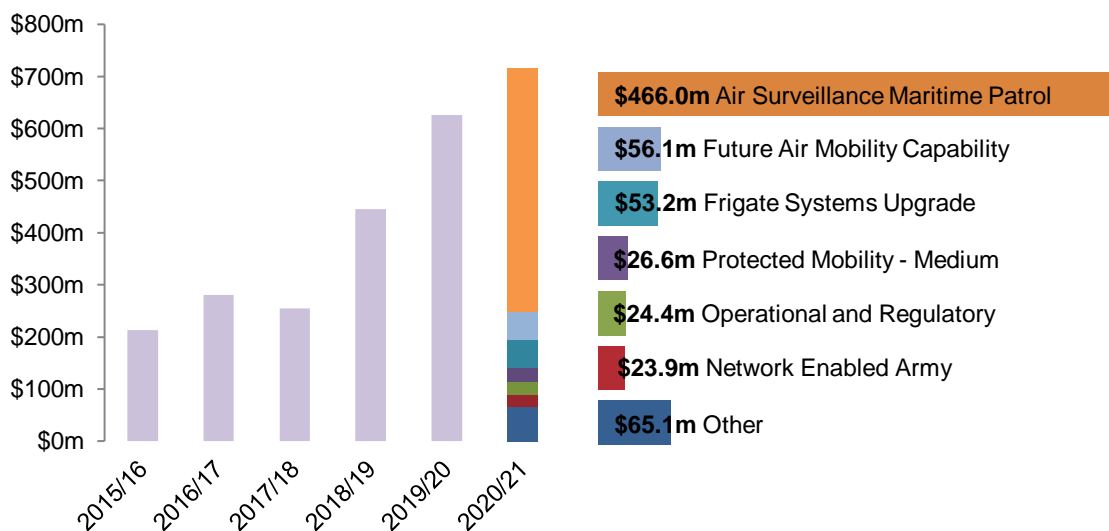


Figure 7: The Ministry's non-departmental expenditure on delivering Defence capabilities

OUR STEWARDSHIP PRIORITIES

The Ministry manages 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; 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.

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 not caused by gaps in the same roles ("like for like") but by occupational or seniority differences in the male and female workforces overall. This is commonly referred to as vertical segregation. In simple terms it means we have a group of men in our most senior roles in both the Capability Delivery and Policy and Planning divisions.

Over the past few years we have worked hard to address the imbalance of males to females working in the Ministry. In 2013 only 36% of our staff were female. At June 2020 this sat at 58%. Over the same period the percentage of females in management roles has increased from 19% to 39%.

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 real success has been the recruitment of female project managers. Five years ago we had no female project managers. This now sits at 46% (22 females, 26 males, 48 total).

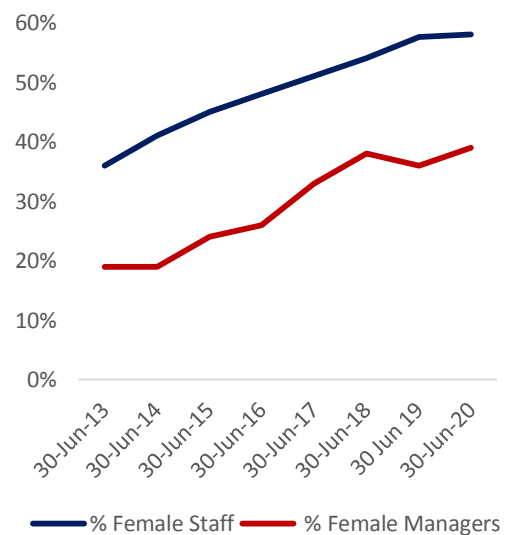


Figure 8: Proportion of female staff and managers

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

While gender balance has improved, work to reduce the Ministry's gender pay gap (32% at June 2020) is ongoing and remains the biggest challenge. The Ministry's gender pay gap is still well above the June 2019 Public Service gender pay gap of 10.5%.

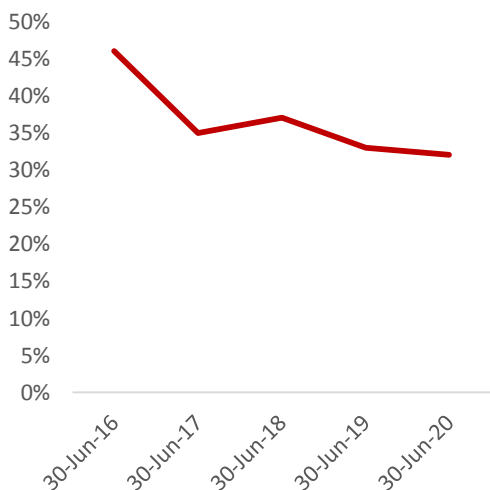


Figure 9: The Ministry's gender pay gap

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.

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 2020, 58% 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 2020, 39% 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 June 2020, 71% 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.

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.

IMPROVING DIVERSITY

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

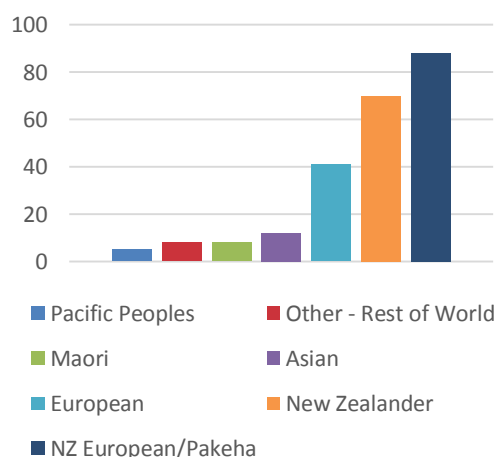


Figure 10: the ethnicities that 162 Ministry staff identified with, as at 30 June 2020 (staff may identify with up to 3 ethnicities)



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 to broaden our diversity talent pool and understand our people:

- 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
- 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
- establishing a Pride Network
- 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).

A SUSTAINABLE, CONTEMPORARY MINISTRY OF DEFENCE

The Ministry has implemented modern, fit for purpose policies that are appropriate for its increased number of staff. These are updated regularly to ensure they remain contemporary and best practice.

It is important that every person working at the Ministry has a safe and inclusive workplace where people treat one another with respect. We have range of policies and documents that support a workplace culture that promotes respect, inclusion, trust and productivity.

In October 2019 the Ministry moved to new shared accommodation in Defence House in Wellington City. 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.

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.

PARTNERSHIP: DELIVERING DEFENCE CAPABILITY

GOVERNANCE OF MAJOR DEFENCE CAPABILITY PROJECTS

Defence has a joint system of governance and management of our military capability projects, reflecting the shared responsibilities of the Secretary of Defence and Chief of Defence. There are governance bodies with overall system and portfolio-level governance responsibilities, as well as 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 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.

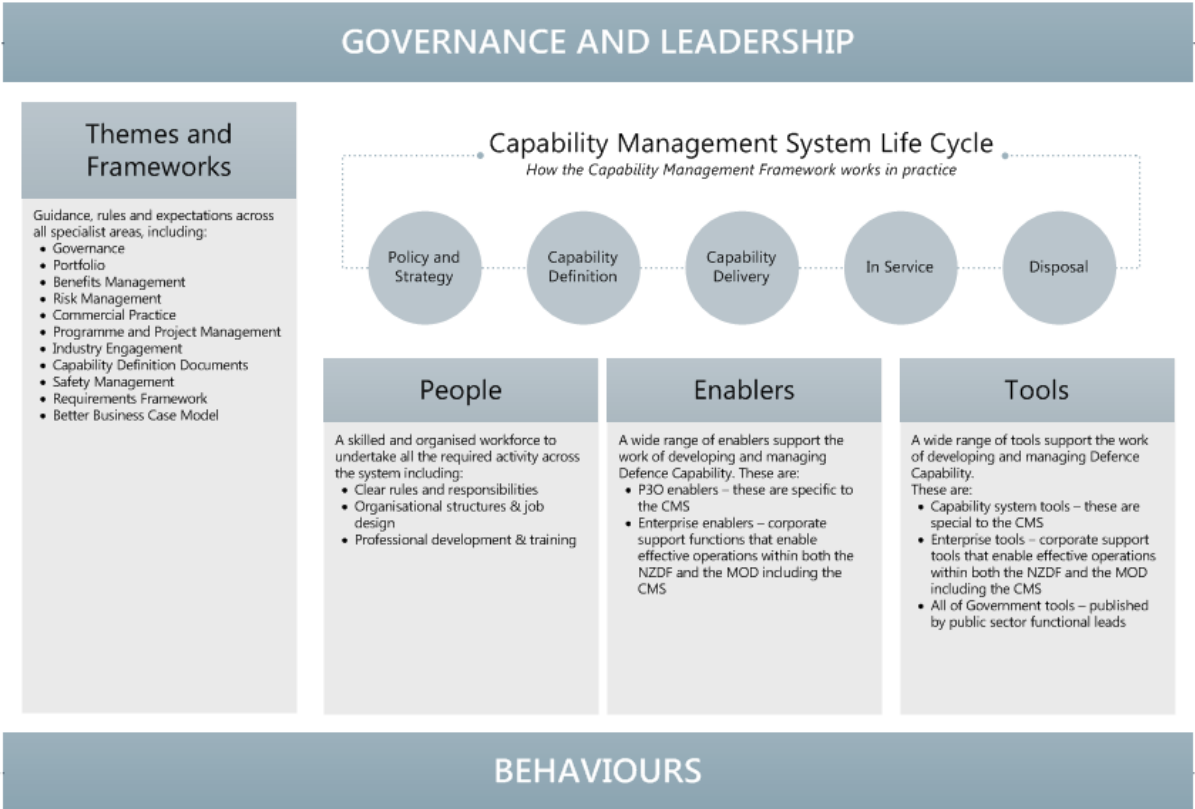


Figure 11: An overview of the enhanced Defence Capability Management System

EXTERNAL REVIEWS OF THE SYSTEM

Two external reviews by Sir Brian Roche and PWC have found the system has the ability to successfully manage risk in major military acquisitions in New Zealand. It found the strength of the system and its ability to both cope with risks that crystallise quickly, and report and respond rapidly in a flexible way, will continue to be tested – this is positive for any dynamic learning system.⁵

⁵ See *Review of Defence Procurement Policies and Practices for Major Capability Projects* and *Follow-up Review: Defence Procurement Policies and Practices for Major Acquisitions* from the Ministry’s website www.defence.govt.nz/publications