

Chair
Cabinet Policy Committee

IMPROVING JOINT EFFECTIVENESS IN DEFENCE

Proposal

- 1 This paper reports the findings of the Hunn Review and proposes that Ministerial directives be issued so as to achieve greater joint effectiveness within the New Zealand Defence Force (NZDF) and between the Ministry of Defence and the NZDF.

Executive summary

- 2 The Government wants a greater degree of “jointness” not only within the NZDF but also between the NZDF and the Ministry of Defence. The Hunn Review of accountabilities and structural arrangements made a number of recommendations as to how “jointness” might be enhanced. Prompted by these recommendations, and recognising the need to cement in place and enhance initiatives already implemented by NZDF and the Ministry of Defence, this paper proposes that the Minister of Defence issue directives to underpin greater cooperation and collaboration within NZDF and between NZDF and the Ministry of Defence.

Background

- 3 The Government, upon taking up office, signalled its desire that the defence organisations should work together more effectively. A number of initiatives were taken to give effect to this, including the Government Defence Statement ‘A Modern, Sustainable Defence Force Matched to New Zealand’s Needs’ announced in May 2001, which set out a joint approach in the defence force.
- 4 The Government also addressed capability issues arising from the Long-Term Development Plan agreed in May 2002, and since then the Government has approved a number of individual projects that are now being advanced.
- 5 In addition I commissioned a focussed review of the accountabilities and structural arrangements between the Ministry of Defence, the New Zealand Defence Force, and the three services. The review was undertaken by Mr Hunn, former State Services Commissioner. Having made progress on defence capability matters, I am now in a position to respond to the findings of the Hunn Review.

The Hunn Review Findings

- 6 In essence, the review suggests six major areas for development, namely:
 - closer political engagement with both the NZDF and the Ministry of Defence to provide oversight and direction;
 - new cultural values to create an information sharing, mutually supportive, knowledge base and environment in both the NZDF and the Ministry of Defence;

- clarity of the roles of the Secretary of Defence and the Chief of Defence Force, in particular by identifying and allocating sole, prime and shared responsibilities;
- clarification and strengthening of the command of the Armed Forces by the Chief of Defence Force through the single service chiefs;
- new organisational arrangements including new structures and processes; and
- a new Defence Act.

Going Forward

7 The Government strongly endorses ‘jointness’ within NZDF and between the Ministry of Defence and NZDF. I largely accept the thrust of the Hunn Review as a way to achieve the Government’s objectives. I would expect any future changes will also continue to capture the benefits of the Long-Term Development Plan. Initiatives already implemented by the Chief of Defence Force and the Secretary of Defence go a long way toward meeting the Review proposals. I have been very satisfied with the willingness of both to work together to put in place these initiatives. For example:

- within NZDF: the Joint Forces Headquarters; a joint staff college; a joint appointment process for senior staff requiring clearances by all three service chiefs; information technology centralisation and standardisation; corporate performance measurement system and reporting; integrated lands facilities management; a proposed joint engineering management system; and development of a joint non-operational logistic and support organisation; State Services Commissioner’s responsibility for managing the Chief of Defence Force and Chiefs of Staff appointment process; and
- work done by the Ministry of Defence and the New Zealand Defence Force to integrate NZDF’s international defence relations branch with the Ministry’s policy and planning branch; the Defence Evaluation Board; and the Defence Acquisitions Control Groups all of which include both the Secretary of Defence and the Chief of Defence Force; establishment of the Office of Chief Executives; appointment of the Secretary of Defence as an associate member of the Chiefs of Staff Committee; and the introduction of his attendance at NZDF operational briefings.

8 I want to reinforce and cement in place those initiatives and to direct the Secretary of Defence and Chief of Defence Force to continue and intensify this process. I believe this can be achieved without changes to the Defence Act. In time changes may be made to legislation to reflect new practices, but for the moment the Government’s objectives can be achieved by Ministerial directives (as provided for in Section 7 of the Defence Act 1990) to reinforce good practices initiated by the current Defence leadership to ensure they endure, and to achieve further change.

Achieving a greater joint effect across the three services

9 I expect the single service chiefs to focus on ‘raising, training and maintaining’ their own services and to ensure their services are working well together to achieve the best possible contribution of a fully trained, properly equipped and capable force in sufficient military strength to ensure the joint effectiveness of the Defence Force. While the Chief of Defence Force will continue to command each of the single services through the service chiefs, I will require him to take a much more direct role in the command of the services than has been required of previous Chiefs of Defence Force. Mr Hunn has recommended that consideration be given to establishing the position of Vice Chief of Defence Force to support the Chief of Defence Force and be his permanent deputy. The

Chief of Defence Force already has this recommendation under consideration and will report back on his recommendation by August 2003.

- 10 I also expect that any unnecessary duplication of functions between NZDF headquarters or the Joint Forces Headquarters, and within and between the three services will be eliminated to ensure maximum efficiency and jointly directed effort.
- 11 Consistent with the changed focus of the roles of the three service chiefs, it is intended that for all but legal purposes, their respective titles will immediately become Chief of Navy, Chief of Army, and Chief of Air Force.

Achieving greater cooperation and collaboration between the Ministry of Defence and the New Zealand Defence Force

- 12 To achieve greater jointness and cooperation between NZDF and the Ministry of Defence, I believe that a new approach to allocating responsibility and accountability is required. This means greater clarity as to who is responsible for what so that combined military and civilian advice, and effective working relationships between the Secretary and the Chief of Defence Force, serve to underpin the Government's defence outcomes. I support the Hunn Review proposal to assign accountability to the Chief of Defence Force and the Secretary of Defence on a sole, prime and shared basis (summarised in Appendix 1) and agree with how he envisages those accountabilities are expected to be exercised.
- 13 I intend that the role of the Office of Chief Executives be further developed to support the sole, prime and shared accountabilities, and the exercise of those accountabilities, and that these are reflected in the provision of joint military and civilian advice, and reinforce a fully integrated culture across NZDF headquarters and the Ministry of Defence.
- 14 The Secretary of Defence and the Chief of Defence Force will be required to share policy/operational information on a regular basis to make sure they are each well informed on all policy and operational defence matters that need my attention and to do so in a manner that is consistent with the accountability of the Chief of Defence Force to command the forces.
- 15 It is also critical that strategic defence advice is considered within a coordinated context including New Zealand's broader security and foreign policy responsibilities. Close consultation will need to continue with other relevant agencies (for example, the Ministry of Foreign Affairs and Trade, and the Department of Prime Minister and Cabinet, Police and Customs) bilaterally and within interagency structures for coordination (Cabinet External Relations and Defence Committee, and the Officials Domestic and External Security Committee).
- 16 I have been pleased with the way the Ministry of Defence has developed its audit and assessment function and want this to continue. I will therefore require the Secretary of Defence and the Chief of Defence Force to give full effect and support to the statutory role and independence of the Evaluation function of the Ministry of Defence.

Report Back

- 17 I am keen that momentum is maintained. I require the Secretary of Defence and the Chief of Defence Force to report by the end of August 2003, in consultation with the Department of Prime Minister and Cabinet, State Services Commission and the Treasury, to the Prime Minister, Minister of Finance, Minister of State Services and the Minister of Defence on the systems, processes and protocols that will support the purpose of the

reformed Office of Chief Executives arrangements including, how information on policy and operational matters will be shared and the process and timeline for implementation.

Warranting

- 18 Cabinet invited the State Services Commissioner, in consultation with the Secretary of Defence and the Chief of Defence Force, to provide advice on whether the position of Commander Joint Forces (NZ) should also be a warranted position. [CAB (01) 38/31 refers]. I have now considered that advice and conclude on balance, that the current warranting arrangements should remain (ie the Chief of Defence Force and the Chiefs of the Navy, Army and Air Force). Given the significance of the Commander Joint Forces position, I expect the Chief of Defence Force to brief me before making an appointment. Should a Vice Chief of Defence Force position be established, issues surrounding the selection and appointment processes need further consideration. I have asked the New Zealand Defence Force, State Services Commission and the Department of Prime Minister and Cabinet to provide further advice on the matter.

Consultation

- 19 The Department of Prime Minister and Cabinet, State Services Commission, Ministry of Foreign Affairs and Trade, and the Treasury have been consulted on this paper.

Financial implications

- 20 This paper has no financial implications.

Human rights

- 21 This paper has no human rights implications.

Legislative implications

- 22 This paper has no legislative implications.

Regulatory impact and compliance cost statement

- 23 This paper has no regulatory impacts.

Gender implications

- 24 This paper has no gender implications.

Publicity

- 25 The Prime Minister will make announcements on this issue.

Recommendations

- 26 It is recommended that the Cabinet Policy Committee:
- 1 **note** the Government's objective to achieve a greater degree of "jointness" within the New Zealand Defence Force (NZDF) and between the NZDF and the Ministry of Defence;

- 2 **note** that the Hunn Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force has been completed;
- 3 **note** that the Secretary of Defence and the Chief of Defence Force have already taken a number of steps towards achieving the desired greater degree of ‘jointness’;
- 4 **agree** that directives will be issued by the Minister of Defence to the Chief of Defence Force and the Secretary of Defence; and
- 5 **note** the parameters for the directives to achieve ‘jointness’ in the Defence sector.

Directive(s) that:

5.1 Achieve a greater joint effect *across the three services* by:

- 5.1.1 Reinforcing and cementing existing initiatives that support jointness across the three services e.g. Joint Forces Headquarters; joint staff college; a joint appointment process for senior staff requiring clearances by all three service chiefs; State Services Commissioner’s responsibility for managing the Chief of Defence Force and Chiefs of Staff appointment processes; and
- 5.1.2 Requiring progress on the introduction of a joint non- operational logistics capability;
- 5.1.3 Defining the role of the three service chiefs as being to “raise, train and maintain” their respective services;
- 5.1.4 Ensuring that no function that is the role of either HQ NZDF or the Headquarters Joint Forces (New Zealand) is replicated in the staffs of the service chiefs;
- 5.1.5 Reorganising Headquarters NZDF to ensure the predominance of the joint staff.

5.2 Achieve greater cooperation and collaboration between the Ministry of Defence and the New Zealand Defence Force by:

- 5.2.1 Reinforcing and cementing in place existing initiatives designed to support cooperation and collaboration between the Ministry of Defence and the NZDF e.g. Defence Evaluation Board; Defence Acquisitions Control Groups;
- 5.2.2 Assigning accountability on a sole, shared, prime basis (see Hunn Report reference attached) to the Chief of Defence Force and the Secretary of Defence and direct how those accountabilities are expected to be exercised; including expectations regarding consultation with other relevant agencies (e.g. MFAT, DPMC, Police and Customs) bilaterally and within interagency structures for coordination (ERD/ ODESC);
- 5.2.3 Requiring the Secretary of Defence and the Chief of Defence Force to further develop the role of the Office of Chief Executives so as a minimum it achieves the following purposes:
 - Ensures that the Secretary of Defence and the Chief of Defence Force share information on a regular basis so that both are well

informed on all defence matters (policy and operational) that need the attention of the Minister;

- Supports provision of joint military/civilian strategic advice;
- Supports development of an integrated HQ/HO culture;
- Requiring the Secretary of Defence and the Chief of Defence Force to give full effect and support to the statutory role and independence of the Evaluation function of the Ministry of Defence.

5.3 Report by the end of August 2003, in consultation with the Department of Prime Minister and Cabinet, State Services Commission and the Treasury, to the Prime Minister, Minister of Finance, Minister of State Services and Minister of Defence on the systems, processes and protocols that will support the purpose of the new Office of Chief Executives arrangements and the process and timeline for their implementation.

- 6 **note** that consideration is being given to the establishment of the position of Vice Chief of Defence Force, and the Chief of Defence Force will report back on his recommendation by August 2003;
- 7 **direct** the New Zealand Defence Force, State Services Commission and Department of Prime Minister and Cabinet to provide further advice on issues surrounding the selection and appointment process regarding the Vice Chief of Defence Force position, should this be established;
- 8 **note** that Cabinet had invited the State Services Commissioner in consultation with the Secretary of Defence and the Chief of Defence Force, to provide advice on whether the position of Joint Force Commander should also be a warranted position;
- 9 **agree** that current warranting arrangements will remain; and
- 10 **note** that the Chief of Defence Force will brief the Minister of Defence before making an appointment to the Joint Force Commander position.

Hon Mark Burton
Minister of Defence

Appendix 1: Sole, Prime and Shared Responsibilities

Secretary of Defence High-Level Sole, Prime and Shared Responsibilities

Sole	Prime	Shared
<p>Formulating advice on defence and international defence relations policy and strategies at the governmental level</p> <p>Purchase advice on NZDF outputs policy effects</p> <p>Equipment purchasing</p> <p>MoD resource management and</p> <p>Evaluation of and accounting for MoD outputs</p>	<p>Developing security scenarios and planning guidelines from defence policy and strategy</p> <p>Preparing business cases for acquisition proposals</p> <p>Evaluating Defence organisation outputs and contributions to national security outcomes</p>	<p>Conducting analyses of the strategic environment,</p> <p>Analysing and setting military capability requirements</p> <p>Defining a joint future capability vision,</p> <p>Drafting long-term development and medium-term output plans for the Defence organisation.</p>

Chief of Defence Force High-Level Sole, Prime and Shared Responsibilities

Sole	Prime	Shared
<p>Commanding the NZDF</p> <p>Commissioning new equipment into service</p> <p>Supporting, supplying and maintaining NZDF capabilities</p> <p>Conducting military operations</p> <p>NZDF Resources management and</p> <p>Evaluation of and accounting for NZDF outputs</p>	<p>Formulating international defence relations strategies and outputs at the military level</p> <p>Analysing military capability gaps, testing options and refining solutions, and</p> <p>Advice on military responses to security crises</p>	<p>Conducting analyses of the strategic environment</p> <p>Analysing and setting military capability requirements</p> <p>Defining a joint future capability vision</p> <p>Drafting long-term development and medium-term output plans for the Defence organisation.</p>