

NEW ZEALAND DEFENCE REVIEW 2009

COMPANION STUDIES

TERMS OF REFERENCE

1. Authorisation

- 1.1. On 30 March 2009, Cabinet approved the Terms of Reference for New Zealand Defence Review 2009 (the Review).
- 1.2. The Secretary of Defence, in consultation with the Chief of Defence Force and other stakeholders, is currently undertaking this Review in accordance with the parameters set down in section 24(2)(c) of the Defence Act (1990) and the Terms of Reference.
- 1.3. The approved Terms of Reference included provision for the conduct of three companion studies (the Studies) led by the Associate Minister of Defence. This document sets out the Terms of Reference for these Studies.

2. Overview

- 2.1. There will be three concurrent companion studies to the Review, led by the Associate Minister of Defence. The outcome of these Studies will be agreed to by both the Minister and the Associate Minister. The studies are:
 - 2.1.1. STUDY 1- New Zealand's Defence Industry. An examination of the New Zealand defence industry sector and options for economic improvement.
 - 2.1.2. STUDY 2 – Youth Programmes. An examination of the role of the New Zealand Defence Force in youth programmes generally and specifically in regard to the New Zealand Cadet Force.
 - 2.1.3. STUDY 3 - Voluntary National Service. An examination of the concept and viability of Voluntary National Service as a Whole-Of-Government strategy.

3. Context

- 3.1. The National Party and ACT New Zealand made pre-election commitments, in 2008, to commence a Defence Review and White Paper in the first year of taking office. Both party

manifesto also included the desirability of economic growth, Whole-Of-Government strategies and increased focus on youth development.

- 3.2. While the New Zealand Defence Force plays an increasing role in supporting Government objectives, the desirable outcomes described in 3.1 are not directly linked to any current Defence Force outputs and are multi-agency in nature. For these reasons, they are assigned as Companion Studies.
- 3.3. The findings of the Studies will be available to inform the Defence Review as appropriate and will also be published as stand-alone reports prior to, or concurrently with the Defence White Paper.

4. Scope

- 4.1. Principles. The principles that guide these Studies are as follows:

- 4.1.1. Recommendations should seek to achieve economic leverage through more effective use of current funding streams rather than seeking substantial new money from Government.
- 4.1.2. Recommendations should be innovative rather than seeking a return to former programmes, except where the latter can be shown to be the most effective approach for the future.

- 4.2. Stakeholders. Recognising the desirability of maintaining both a political and public consensus, the Study Teams may seek and assess input from independent experts and consult with key stakeholder groups. Stakeholders are listed below, however, the Review may add other groups as required:

- a. New Zealand Government departments.
- b. Royal New Zealand Returned and Services Association and other ex-Service groups.
- c. New Zealand Defence Industry.
- d. New Zealanders and New Zealand-based groups with an interest in the subjects covered in the Studies.

- 4.3. Specific Study Questions. The specific questions for each Study are as follows:

- 4.3.1. Study 1: Defence Industry

- What Government policies relating to Defence-related industries currently exist?
- What Defence-related industries currently operate within New Zealand or overseas with substantial New Zealand ownership?
- What is the estimated total value of New Zealand defence-related industry in terms of domestic supply, import and export?
- Which countries currently buy or sell defence products and services from or to New Zealand?
- What was the original intention behind Closer Economic Relations and Closer Defence Relations with Australia in regard to Defence industry?
- To what extent are the intentions or structures within CER and CDR, relating to Defence industry, being achieved?
- What impediments to the growth of defence-related industry in New Zealand currently exist?
- What measures should be implemented to assist the growth of New Zealand's Defence-related industry?

4.3.2. Study 2: Youth Programmes

- What youth programmes are currently conducted by or with the involvement of the NZDF and what is the extent of its involvement?
- What other Youth programmes are conducted in New Zealand, in both the public and private sector?
- In terms of measurable outcomes, which programmes, across all sector are deemed most effective?
- What is the opportunity cost for the NZDF in terms of its involvement in youth programmes at the current level?
- What is the best funding and management model for the New Zealand Cadet Force?
- How should the role of the NZDF in regard to youth programmes be defined, in the future, in order to strike an appropriate balance between Defence operational needs and other Government objectives?

4.3.3. Study 3: Voluntary National Service (defined as a model of voluntary Government service which will incur a defined period and nature of service and mutual rights and responsibilities for the State and the individual)

- What models of Voluntary National Service are currently in operation around the world?

- On the basis of existing models, which are deemed to be most effective in measurable terms?
- What would be the cost per person of a VNS programme that included a common core of basic training of up to 6 weeks?
- What would be the cost per person per annum of ongoing service as a member of a VNS scheme?
- What measures should be considered as Government-side incentives to join a VNS scheme?
- What periods of service, both full-time and part-time, are optimal for participants in a VNS scheme?
- What impediments to the implementation of a VNS scheme currently exist?
- What policy changes would be required in order to implement a VNS scheme?

5. Deliverables

- 5.1. The primary deliverable of the Studies is the timely provision of three written reports to Cabinet, via the Minister of Defence, that include advice, options and supporting background material on all matters referred to in these Terms of Reference.

6. Study Teams

- 6.1. Each of the Studies will be undertaken by three separate teams appointed by the Associate Minister of Defence. Study team leaders may co-opt other advisors or invite observers as required throughout the study after consultation with the Associate Minister of Defence. Secretarial and research support will be provided from the Ministry of Defence and New Zealand Defence Force as agreed between the Associate Minister, Secretary of Defence and Chief of the Defence Force. A contextual diagram that shows the relationship of the Studies to the Defence Review is shown at Annex A.
- 6.2. The individuals appointed to lead the three Study teams have been selected for their knowledge and experience in areas relevant to their respective topics. The team leaders are as follows:

6.2.1. STUDY 1- New Zealand's Defence Industry

Hon Hugh Templeton, Former Minister of Customs;
Trade and Industry.

6.2.2. STUDY 2 – Youth Programmes.

Major General (Retd) Louis Gardiner, Former Chief of Army and current CEO of Crimestoppers New Zealand

6.2.3. STUDY 3 - Voluntary National Service.

Brigadier (Retd) Timothy Brewer, Former Director General of Reserves and Cadets and Law Commissioner and current Crown Solicitor for New Plymouth.

7. External Input. Team leaders may consult with New Zealand's security allies, partners and friends as necessary to address issues within the scope of their Studies via the Office of the Associate Minister of Defence.

8. Resolution of Issues. The Associate Minister of Defence will address any matters of content or process that arise during the Studies. In undertaking the Studies, the three Study leaders must seek to clarify and resolve differences of view within their teams. Where unresolved differences remain that materially affect the outcome of that Study, these must be made explicit and alternative recommendations must be developed for Ministers' consideration and resolution.

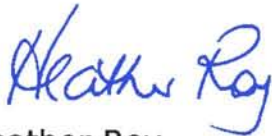
9. Project Management. The Studies are to be managed in accordance with State Services Commission project management disciplines.

9.1. Progress Reports. Throughout the period of the Studies, the team leaders will update the Associate Minister of Defence on progress on a regular basis but not less than monthly.

9.2. Milestones. The following milestones apply for these Studies:

- a. 14 August 2009 – Study Project Plans submitted by Team Leaders to Associate Minister of Defence.
- b. 18 September 2009 – First Study Progress Reports submitted to Associate Minister of Defence.
- c. 16 October 2009 - Second Study Progress Reports submitted to Associate Minister of Defence.
- d. 13 November 2009 – Draft Final reports for the three studies submitted to Associate Minister of Defence.

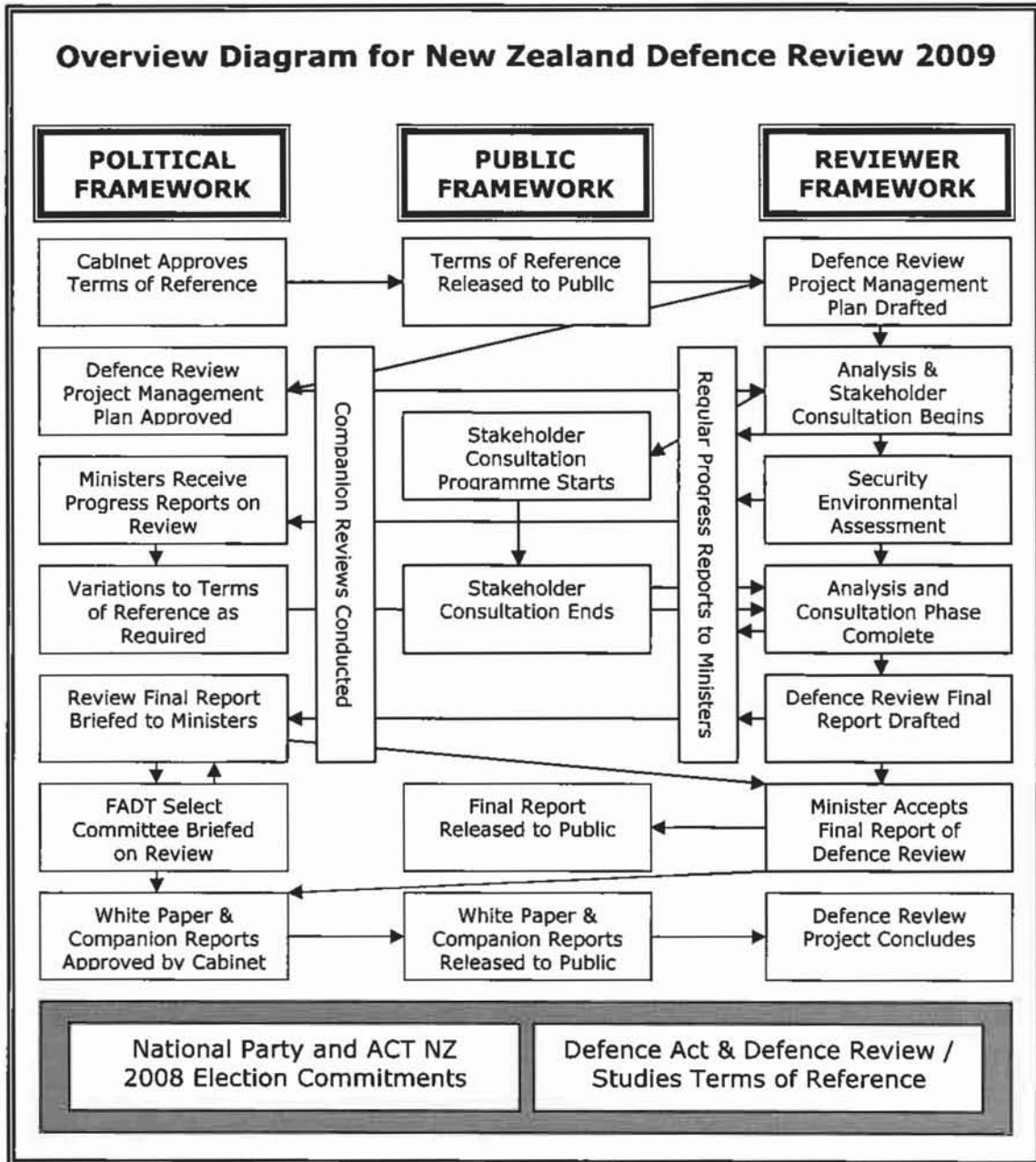
- e. 20 November 2009 – Internal review of study findings and briefings to Minister of Defence and officials complete.
 - f. 30 November 2009 – Final Report of the three Companion Studies complete.
10. **Select Committee Involvement.** Before concluding the Studies, the Associate Minister of Defence will brief and confer with the Foreign Affairs, Defence and Trade Select Committee of Parliament.
 11. **Study Funding.** No fees will be payable to Team Leaders and Members for these studies. Actual and reasonable costs for the Studies will be a charge against Vote: Defence.
 12. **Variations.** Any variations to these Terms of Reference will be authorised by the Associate Minister of Defence using the Letter of Variation shown at Annex B.
 13. **Communications.** All media releases and enquiries will be coordinated through the Office of the Associate Minister of Defence.



Hon Heather Roy
Associate Minister of Defence

19 August 2009

**ANNEX A TO
TERMS OF REFERENCE FOR
DEFENCE REVIEW COMPANION STUDIES 2009**
Dated 19 August 2009



**ANNEX B TO
TERMS OF REFERENCE FOR
DEFENCE REVIEW COMPANION STUDIES 2009
Dated 19 August 2009**

Variations to Terms of Reference

Variations required to be made to these Terms of Reference will be made by the Associate Minister of Defence using the Letter of Variation set out below. Once signed, they form part of, and should be read, with the Terms of Reference.

**NEW ZEALAND DEFENCE REVIEW 2009
VARIATION TO COMPANION STUDIES TERMS OF REFERENCE**

Date:		TOR Paragraph Number:	
Project Manager:		Change Request No.	

DESCRIPTION OF PROBLEM REQUIRING CHANGE

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DETAILS OF CHANGE REQUIRED

Terms of Reference:			
Roles and Responsibilities:			
Reason for change:			
Justification for change:			
Description of work changes	Time estimate	Cost estimate	

CHANGE AUTHORISATION

1. Authorisation for Variation Request by Companion Study Team Leader

Signed:		Name:		Date:	
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2. Change Authorisation by the Associate Minister of Defence

Signed:		Name:		Date:	
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Attach any relevant documents such as a revised project plan.