

G.4 SOI (2021)



**MANATŪ KAUPAPA  
WAONGA**  
NEW ZEALAND  
MINISTRY OF DEFENCE

# MINISTRY OF DEFENCE

## Manatū Kaupapa Waonga

# STATEMENT OF INTENT

## Tauākī Whakamaunga Atu 2021-2025

[defence.govt.nz](http://defence.govt.nz)

**Te Kāwanatanga o Aotearoa**  
New Zealand Government

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The Ministry of Defence administers the Defence Act 1990.



This page: Ministry staff working on a new organisational strategy

Cover page: Aerial imagery of the P-8A hangar construction at Ōhakea in September 2020

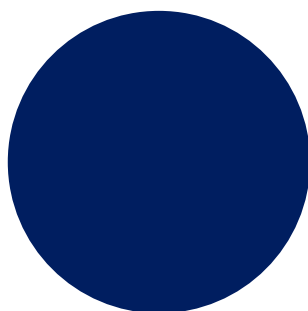
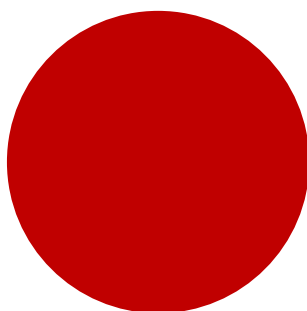
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## FOREWORD BY THE MINISTER OF DEFENCE

### HE MIHI NĀ TE MINITA KAUPAPA WAONGA

Manatū Kaupapa Waonga safeguards New Zealand, by keeping the Government apprised of changes in the strategic environment, providing policy advice to support Government decision making and delivering investments in capability for the New Zealand Defence Force.

The Ministry of Defence's assessment of the strategic environment, and advice on possible implications for New Zealand's interests and Defence Force capabilities, will enable Defence to be well placed to respond to global security challenges.

The Government is focussed on Defence people and prioritising investment in key infrastructure to support Defence Force activities. In investing in infrastructure in New Zealand, Defence has a vital role in supporting the New Zealand economy.

The successful delivery of significant new capabilities for the New Zealand Defence Force will be a key activity for the Ministry over the next few years. One of my first acts as Minister of Defence in December 2020 was to attend an official sod-turning ceremony for Te Whare Toroa at Ōhakea Air Force Base. This is the site for the new hangar to house 5 Squadron and the new P-8A Poseidon maritime patrol aircraft that will start to arrive in 2023.

The first of five new C-130J-30 Hercules transport aircraft are due to arrive in 2024. This project also includes a flight simulator and other supporting infrastructure to replace the existing fleet.

These and other projects being delivered by the Ministry are important to ensure that the Defence Force is well equipped and positioned for the range of tasks required of it by Government.

The Ministry will also continue to work with the Defence Force to implement the recommendations from the Operation Burnham Inquiry, including the establishment of a new independent Inspector-General of Defence.

Another core focus area for the Defence portfolio is working with our international partners, particularly in the Pacific. While maintaining people to people links throughout the pandemic is challenging, it is important that we keep in touch and continually look for new opportunities to work together.

I looking forward to working with the Ministry and its staff, alongside the New Zealand Defence Force, to progress the priorities in the Defence portfolio.



Hon Peeni Henare  
**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 Peeni Henare  
**Minister of Defence**  
**Minita Kaupapa Waonga**



Minister of Defence, Hon Peeni Henare (right), at the April 2021 opening of Te Pokapū Whakauru Māia, the Capability Integration Centre at Linton Army Camp

## INTRODUCTION BY THE SECRETARY OF DEFENCE

### HE KUPU WHAKATAKI NĀ TE TUMU WHAKARAE MŌ TE WAONGA

The Ministry of Defence, Manatū Kaupapa Waonga, *Statement of Intent 2021-25* articulates the Ministry's new strategy and priorities for the next four years. This includes a new purpose, vision and areas of focus for the Ministry.

The new strategy was developed through a process involving all staff and will ensure that the Ministry is well positioned for the future.

Our new purpose is *Safeguarding New Zealand; Kia tū pakari ai te pā tūwatawata o Aotearoa.*

We safeguard New Zealand through the advice we provide government on defence policy, our assessments of the security environment, and how we should respond to regional and international security challenges, for example with deployments of our Defence Force.

The Ministry plays a critical role in ensuring that the New Zealand Defence Force (NZDF) is well equipped to conduct the tasks asked of it by government to safeguard New Zealand, with around \$5.8 billion worth of capability projects under active management. This includes the replacement of the Air Force's maritime surveillance and strategic airlift platforms, which will be delivered within the duration of this plan.

Our new vision is *Thought leaders strengthening national security in an uncertain world; Ko mātou ngā kaitātaki whakaaro e whakakaha ana i tō tātou haumarutanga ā-motu i tēnei ao pāhekeheke.*

The global security environment has become substantially more challenging and this trend is likely to continue in coming years. The COVID-19 pandemic has intensified and accelerated pre-existing trends, in addition to its substantial direct impacts on human health, wellbeing, and the economy.

A new focus for the Ministry is to strengthen our capabilities to utilise data insights to inform Defence advice. We will also continue to build our understanding of military matters and experience in engaging the NZDF, to inform our advice.

Engagement with international and domestic partners, including the Defence Industry is an essential element of our work and we will be progressing new initiatives in this area. In particular we will be looking for opportunities to assist our Pacific partners address security challenges

The Ministry's people are its greatest asset. We will develop a new People Strategy that ensures our talented staff continue to be developed and we have a diverse work force that feels valued and included.

In line with government expectations the Ministry will operate in ways that maintain public trust and confidence, embody and promote New Zealand values, and contribute to an international reputation we can be proud of. We will work with the NZDF to implement the recommendations of the Operation Burnham Inquiry, the Expert Review Group conducted in response to the Inquiry, and the establishment of an Inspector-General of Defence. The Ministry will also be enhancing its public communications and increased transparency of Defence decisions.

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

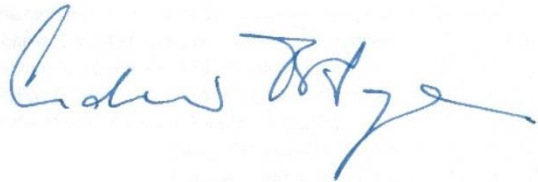
Andrew Bridgman  
**Secretary of Defence**  
**Te Tumu Whakarae mō te Waonga**



The New Zealand Army performs a Death Gun Salute for the passing of HRH Prince Philip, Duke of Edinburgh. This included the Minister of Defence, Chief of Defence Force and Secretary of Defence (front)

## CHIEF EXECUTIVE STATEMENT OF RESPONSIBILITY

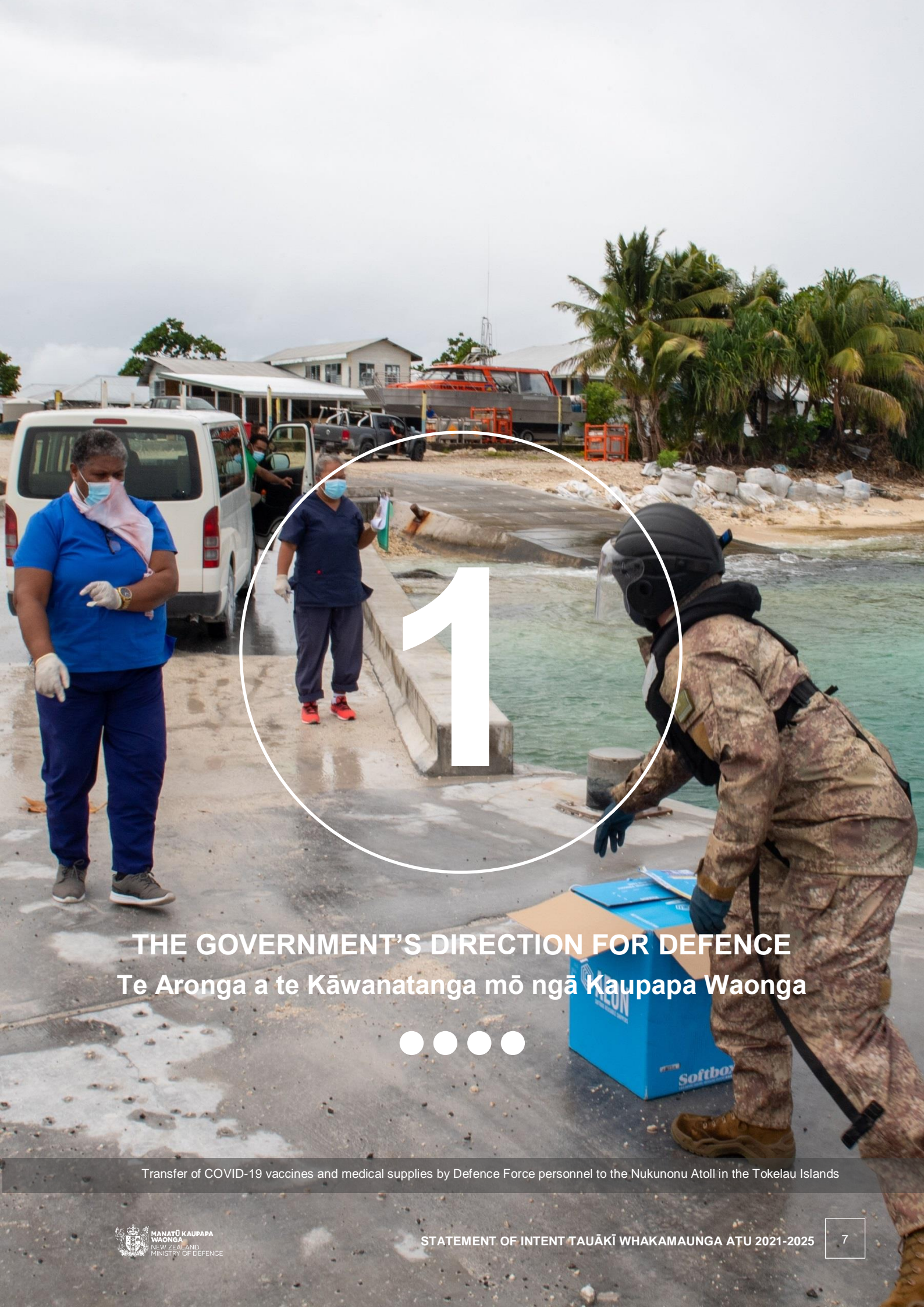
In signing this statement, I acknowledge that I am responsible for the information on strategic intentions for the Ministry of Defence. This information has been prepared in accordance with section 38 and section 40 of the Public Finance Act 1989.



Andrew Bridgman  
**Secretary of Defence**  
**Te Tumu Whakarae mō te Waonga**



P-8A hangar construction at Royal New Zealand Air Force Base Ōhakea in July 2020



1

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



Transfer of COVID-19 vaccines and medical supplies by Defence Force personnel to the Nukunonu Atoll in the Tokelau Islands

Defence is made up of two agencies: the Ministry of Defence and the New Zealand Defence Force. The Ministry contributes to the achievement of Defence outcomes by:

- providing the Government with policy advice concerning defence and security issues, including the security environment, the military capabilities of the Defence Force, the deployment of military forces and the conduct of international defence relations
- delivering major platforms and items of military equipment for use by the Defence Force when undertaking defence and security tasks
- undertaking audits and assessments to examine and help improve Defence efficiency and effectiveness.

The Government has set three key objectives:

**1 To keep New Zealanders safe from COVID-19:** The New Zealand Defence Force's continued provision of approximately 1,200 personnel to the Government's COVID-19 response remains a critical focus. The Ministry's work delivering major defence capabilities ensures the Defence Force is well-placed to respond when tasked by Government and is prepared to safeguard New Zealand.

**2 To accelerate our economic recovery:** the Ministry's work on major Defence capability projects creates opportunities for New Zealand businesses – either directly or indirectly through partnership with international prime contractors. This includes major infrastructure work at Base Ōhakea to support the new P-8A Poseidon maritime surveillance aircraft that will be based there from 2023. Defence is engaging New Zealand businesses with niche technical expertise to provide surge capacity to further critical aspects of capability projects.

**3 To lay the foundations for a better future:** The most important Defence capability is people. This includes looking carefully at gender equity, diversity and inclusion. This will ensure that the Ministry reflects the community it serves. Implementing the recommendations of the *Report of the Government Inquiry into Operation Burnham and related matters* will ensure Defence structures and processes are robust, fit for purpose as well as transparent and accountable into the future. Ministry assessments, advice and engagement with international partners contributes to ensuring a secure, stable, and resilient region and that New Zealand can make contributions to global security into the future. The Ministry's work on engagement in the Pacific is an important part of this.

To deliver on government policy intentions, the Defence agencies undertake long-term planning to allow for sustainable, high-value investments to be considered.

Delivering on Government investment decisions will provide the Defence Force with the capabilities required to give effect to the Government's policy intentions.

This includes key platform replacements – including five C-130J-30 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.



Republic of Fiji Military Forces unload humanitarian aid and disaster relief supplies from an RNZAF C-130H Hercules, following tropical cyclone Harold





**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. We provide civilian advice on defence matters to enhance the security and interests of New Zealand and its people. We also purchase major equipment which becomes a capability when it is used by service men and women of the Defence Force.

To carry out our role, 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 capability<sup>1</sup>
- builds and maintains strong defence relationships internationally
- advises on Defence's performance and effectiveness as a system.

The Ministry works closely with the New Zealand Defence Force and other agencies to carry out these activities. It also builds and maintains strong defence connections through defence engagement with other governments throughout the world, including our ally Australia, so that New Zealand can contribute to the security of the Pacific region, and play our part in addressing defence and security challenges internationally.

The Ministry's work can have immediate impact, such as our advice to deploy Defence Force personnel, or long-term implications by determining and delivering the military capabilities the Defence Force will operate to deliver on the Government's expectations well into the future. The Ministry also has a role in shaping how New Zealand understands and approaches defence and security matters.



Sod turning for the new facilities at Ohakea as part of the Air Surveillance Maritime Patrol project, involving Chief of Air Force, Andrew Clark, Minister of Defence, Hon Peeni Henare, and Deputy Secretary Capability Delivery, Mike Yardley

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<sup>1</sup> In the Defence context, 'capability' refers to the personnel, equipment, platforms, and/or other resources that affect the capacity to undertake military operations.

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

The Ministry assesses New Zealand's strategic environment and the implications for New Zealand's defence policy settings.

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 activities and capability requirements. 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.

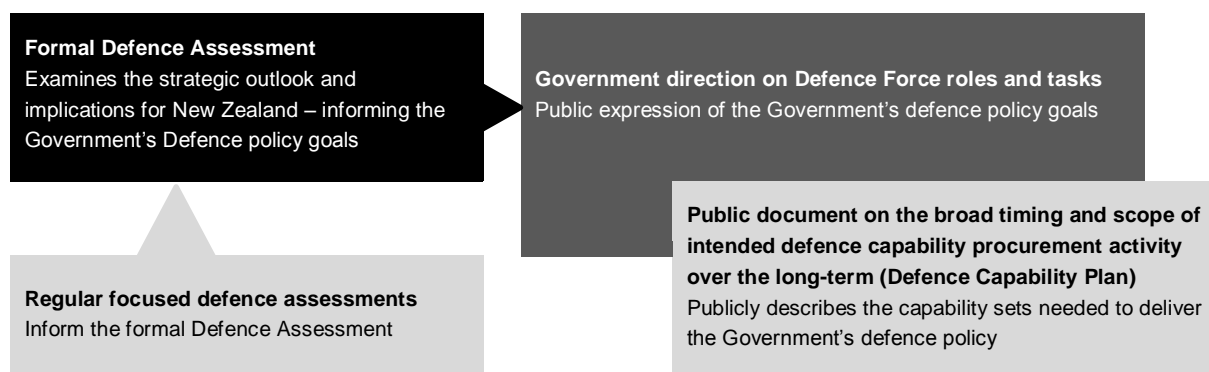


Figure 1: How the Ministry informs and implements the Government's policy for Defence

## WE WORK IN PARTNERSHIP WITH THE DEFENCE FORCE AND INTERNATIONAL PARTNERS

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 a resilient 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.

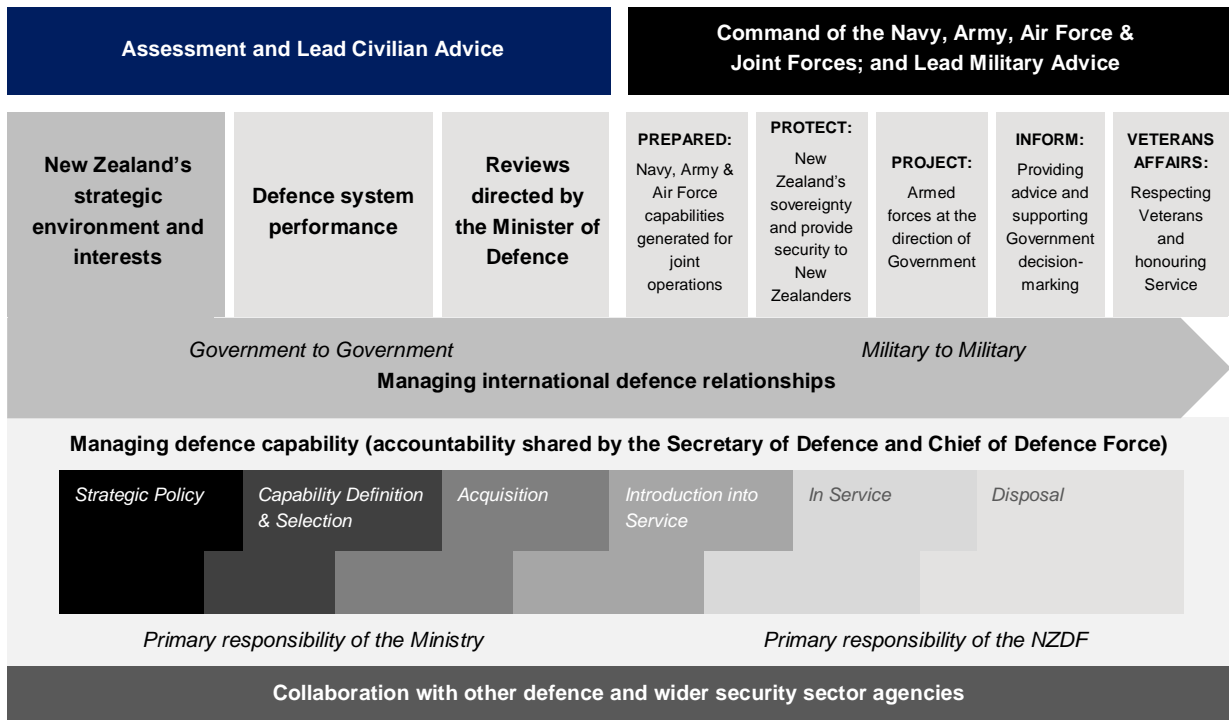
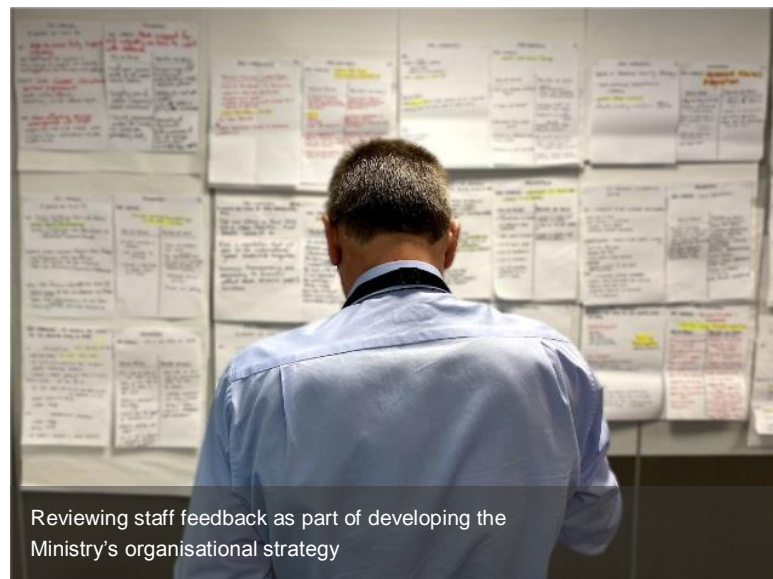


Figure 2: Respective roles of the Ministry of Defence and New Zealand Defence Force

## 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.



Reviewing staff feedback as part of developing the Ministry's organisational strategy

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

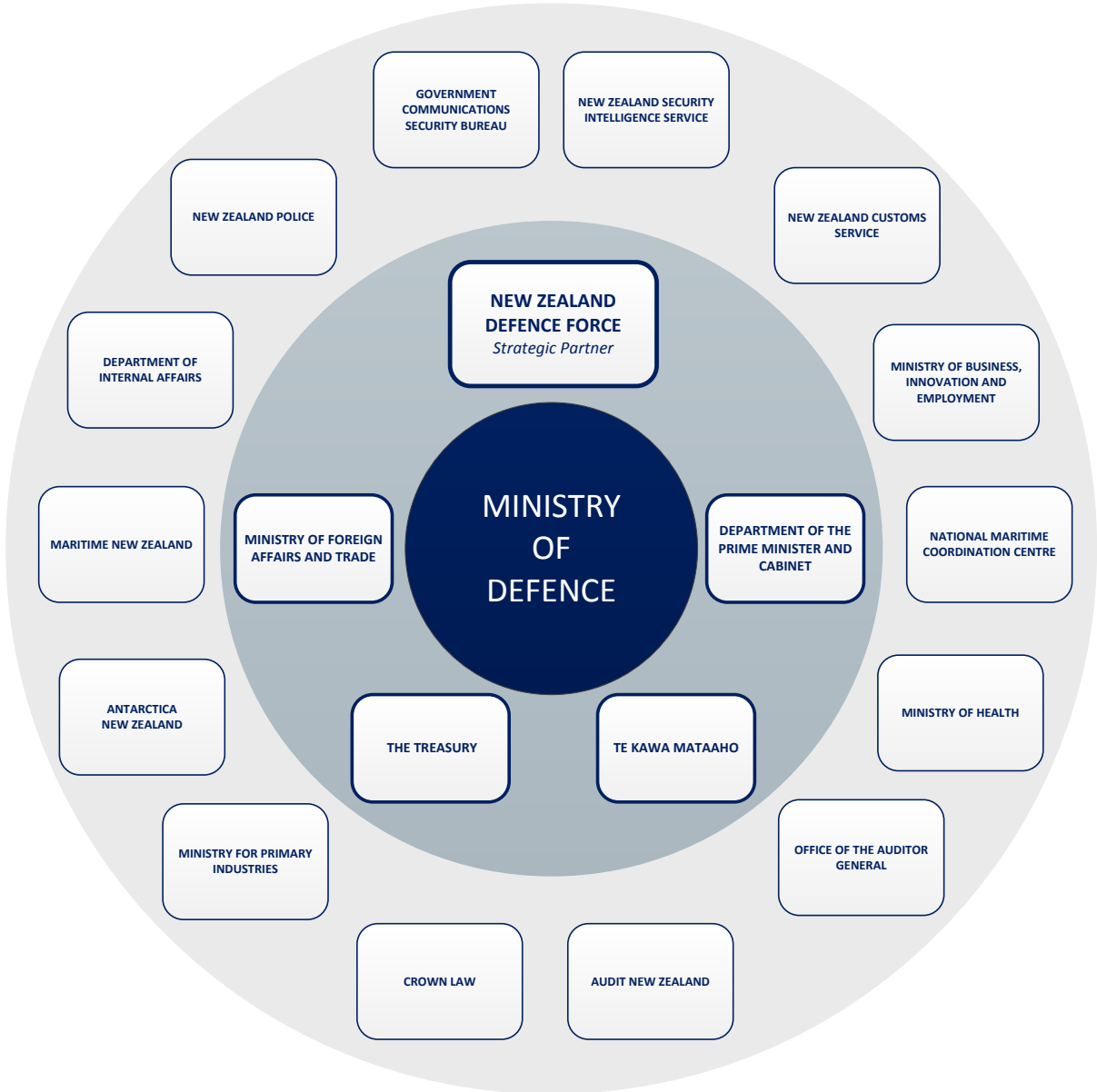


Figure 3: Government agencies that the Ministry works with

### OUR STAKEHOLDERS

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



ASEAN Defence Ministers' Meeting-Plus meeting using videoconferencing under the COVID-19 lockdown in 2020



**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 IS SUBJECT TO MAJOR NEGATIVE GEOSTRATEGIC TRENDS

Since the end of World War Two, New Zealand has benefited from a strategic environment primarily defined by an international rules-based system that reflected New Zealand's values and supported its interests. While imperfect, the system of international law, norms and institutions contributed to broad stability, provided safeguards against major conflict, and enabled collective action on a range of issues.

Today, with the world undergoing a period of major geopolitical change, New Zealand can no longer rely, as it has previously, on the consistency and coherence of that system to protect its interests.

Uncertainty will always be a feature of the global environment, and the intersection of multiple drivers will inevitably produce strategic surprises. Out of this complex global landscape, however, we have identified two significant and compounding challenges that we judge will have the greatest impact on New Zealand's security interests over the medium-to-long term:

- strategic competition, and
- climate change.

These challenges are already affecting the strategic environment, and will intersect with other trends and discrete events. The global COVID-19 pandemic, as a particularly acute example, has intensified and accelerated pre-existing trends in addition to its substantial direct impacts on human health, wellbeing and security.

Overall, New Zealand's strategic environment has become substantially more challenging, and this trend is likely to continue and accelerate in coming years. New Zealand, together with its defence and security partners, faces a future strategic environment that will be much worse than that of the recent past.



Indonesian soldiers help offload 10.6 tonnes of aid supplies brought by an RNZAF C-130H Hercules aircraft to Palu, the Indonesian port city devastated by a 7.5 magnitude earthquake and tsunami in September 2018



# THE MINISTRY'S 2021-2025 STRATEGY

## OUR STRATEGIC FOCUS

The Ministry has developed a new organisational strategy to apply from 1 July 2021. This identifies a new Purpose and Vision for the Ministry:

<b>OUR PURPOSE</b>	Safeguarding New Zealand
<b>TĀ MĀTOU KAUPAPA</b>	Kia tū pakari ai te pā tūwatawata o Aotearoa

<b>OUR VISION</b>	Thought leaders strengthening national security in an uncertain world
<b>TĀ MĀTOU WAWATA</b>	Ko mātou ngā kaitātaki whakaaro e whakakaha ana i tō tātou haumarutanga ā-motu i tēnei ao pāhekeheke

The Ministry has identified four Focus Areas (Ngā Aronga) to deliver this Vision over the next three years. The objectives under each Focus Area are set out on the next pages.



## How we measure our performance

The Ministry's performance is assessed against a range of measures, including Ministerial satisfaction surveys and an independent review of policy advice. For major Defence capability projects, there are measures of quality, timeliness and requirements, as well as delivery of benefits and forecasting. Assessments against these measures are reported in our Annual Report. During the course of 2021/22 the Ministry will develop additional measures to determine progress against new activities in the four Focus Areas.



## SUPPORTING TALENTED AND DIVERSE PEOPLE TE TAUNAKI I NGĀ TANGATA IHUMANEA MATAHUHUA

### Our objectives

A place where talented and diverse people feel included and able to do their best work

Ministry people are consistently supported and developed to be successful in their work

The Ministry is culturally competent

### What we'll do

Develop and implement a new People Strategy, including a diversity and inclusion strategy

Prioritise unconscious bias and building cultural intelligence development for our people

Create and implement a people leaders' development programme to ensure all staff are being developed and supported to be successful in their work

Develop our understanding of tikanga, te reo and te Tiriti

The Ministry's people are our greatest asset. We will develop a new People Strategy that ensures our talented staff are supported and developed to be successful in their work.

We are committed to the kaupapa of having a workplace where everyone feels valued and included and that our staff reflect the diverse makeup of New Zealand society.

We will focus on building our capability and understanding of tikanga, te reo and te Tiriti that recognises the Ministry's contribution to Māori – Crown relations and strengthens our identity as an organisation anchored to this country.

The *Manatū Kaupapa Waonga o Te Rautaki Reo Māori* plan outlines how we will use and celebrate te reo Māori throughout our publications and communications. This, and the Ministry's Whāinga Amorangi Phase One Plan, will be regularly reviewed and updated to grow the Ministry's capability.



Ministry staff collaborating on the development of a new organisational strategy



## INFORMING DECISIONS WITH STRATEGIC INSIGHT TE WHAKAMŌHIO I NGĀ WHAKATAU MĀ TE RAUTAKI

Our objectives	What we'll do
Everyone brings whole-of-Ministry insight to their work	Develop a process to enable cross-agency teams to deliver organisational objectives
Our decisions are visibly evidence-based	Develop our capabilities to utilise data insights to inform Defence advice
We bring a deep understanding of NZDF to decisions	<p>Supporting a structured programme of visits and engagements with NZDF camps, bases, exercises and capabilities</p> <p>Build our understanding of military matters and experience in engaging the NZDF to inform Ministry advice/decision making</p>
We engage thoughtfully with our stakeholders	<p>A deliberate customer engagement approach that involves Defence Industry, including:</p> <ul style="list-style-type: none"> <li>• draft a Public Value and Progressive Procurement Policy</li> <li>• identify opportunities for Māori and Pasifika business in Defence</li> </ul>

### Providing insight

Insight informs all the Ministry's work, but is particularly important for our defence assessments, reviews of defence policy settings, and for our advice to government on defence deployments and defence capability investments, including the defence estate.

Our work ensures that Defence is able to keep pace with changes in the international environment and possible implications for New Zealand's national security interests, defence policy and the capabilities required by the Defence Force to fulfil its roles and tasks.

Insight is built and given through the Ministry's international defence engagements and academic outreach with partners, both domestically and internationally.

A new focus for the duration of this Statement of Intent is to strengthen our capabilities to utilise data insights to inform Defence advice. We will also build our understanding of military matters and experience in engaging the Defence Force to inform our advice.

The Ministry works 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.

### Collaboration with the national security sector

Ministry insight also contributes to key Government priorities for the sector. These include whole-of-government activity on contemporary security issues, such as Pacific security, climate change,

space and cyber policy issues. The Ministry will work closely with security sector partners to leverage 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 policy 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. (See also focus area 3.)

**Advice on Defence Force deployments**

New Zealand deploys Defence Force personnel and assets overseas to contribute to major peace support operations, maritime security, logistics, training missions and other activities supporting the international rules-based system. Each of these international deployments is mandated by Cabinet, usually for periods of up to two years at a time.

The Ministry leads the development of advice to Government on deployments, working in tandem with the New Zealand Defence Force, Ministry of Foreign Affairs and Trade and other agencies. This advice considers a wide range of issues, including whether a contribution would support

New Zealand's domestic and international security objectives, the overarching political and security environment, human rights and legal considerations, and the more specific question of how the Defence Force could best contribute to a particular mission. A central concern is always the safety and security of Defence Force personnel deployed overseas.

The Ministry also engages closely with counterparts from New Zealand's security partners on deployment activities.

Whether the New Zealand Defence Force will deploy, under what conditions and the level of commitment, is decided by the Government of the day.

International security challenges necessitating an international military response are inherently complex, requiring civilian and military advice. The Ministry expects its role in providing policy advice in this space to continue to grow.

Mandates for current deployments that will expire during the period of this Statement of Intent for which the Ministry will prepare advice for government include the following:

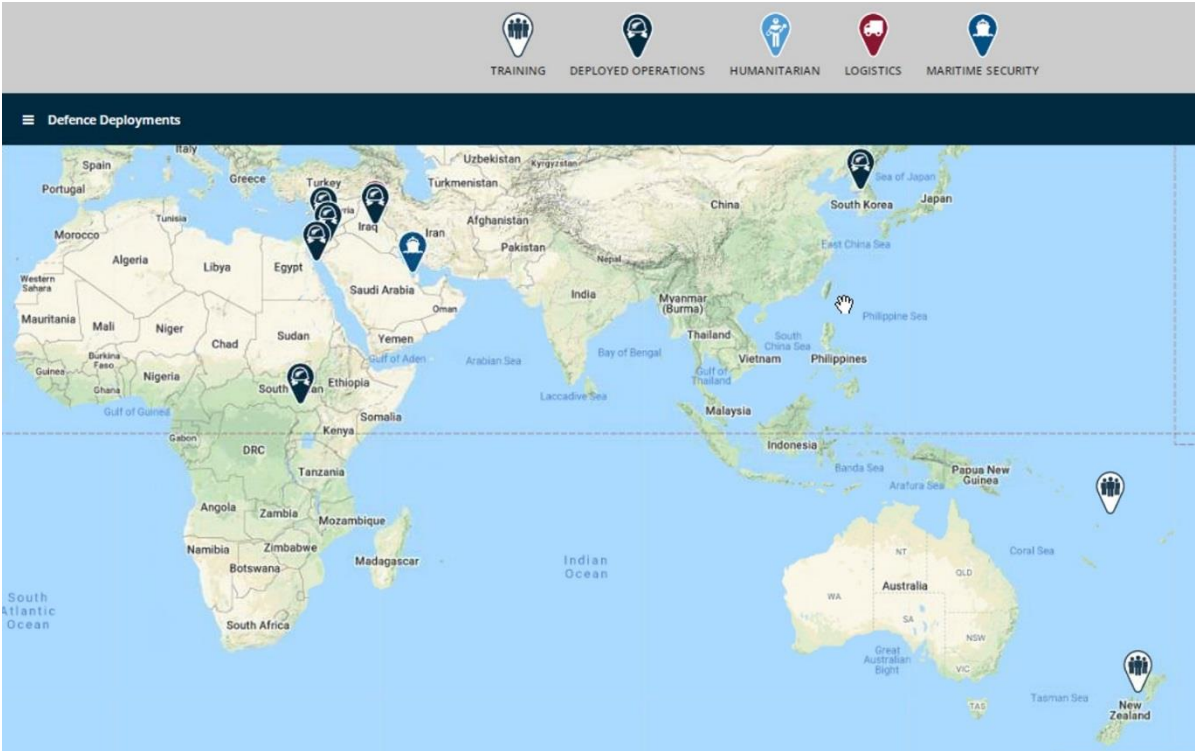


Figure 4: New Zealand Defence Force deployments as at early September 2021. This includes Antarctica logistics support and NZDF's capacity-building work in the Pacific.

Deployment	Description	Mandate Expiry Date
Defeat ISIS Coalition <i>(Iraq and Middle East Region)</i>	Military contribution to the Defeat ISIS Coalition, countering violent extremism in the Middle East	30 June 2022
Maritime Security and Stability Operations in the Middle East <i>(Bahrain and Dubai)</i>	Contribution to the Combined Maritime Forces, including Combined Task Force 150 and UK Maritime Trade Organisation	30 June 2022
Multinational Force and Observers Mission (MFO) <i>(Sinai Peninsula, Egypt)</i>	Contributing to a peace support operation in the Sinai Peninsula, including a New Zealand Force Commander and contingent	30 September 2022 (main contingent) 31 March 2023 (Force Commander contingent)
UN Mission in South Sudan (UNMISS) <i>(South Sudan)</i>	Contributing to a peace support operation in North Africa	30 June 2022
UN Treaty Supervision Organization <i>(Israel, Lebanon, Syria)</i>	Contributing to a peace support operation in the Middle East	30 September 2022
Monitoring UN Security Council sanctions against North Korea	P-3K2 deployments in support of UN sanctions against North Korea	30 September 2022
Operation Gallant Phoenix <i>(Jordan)</i>	Multi-agency deployment to an intelligence fusion centre that counters violent extremism in all forms	30 June 2023
UN Command & Military Armistice Commission <i>(Republic of Korea)</i>	Deployment supporting peace and stability on the Korean Peninsula	31 August 2023

## Engaging with industry

As part of our new strategy we will be taking a deliberate customer engagement approach that involves Defence Industry.

The cost of capability projects currently in delivery is around \$5.8 billion. Much of this investment is still to be spent. Once introduced into service, the capabilities currently in delivery will need to be supported and maintained. 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.

Given one of industry's role is to support capability projects by providing specialist technical and engineering expertise, the Ministry has streamlined its approach to accessing this support. A Technical and Support Services Panel has been established to provide access to support in such areas as test procedures, technical evaluations, assistance with due diligence, and as the technical authority in the design and build of platforms. Previously these services were provided on an *ad hoc* basis. The

Panel puts in place an open and proven pool of suppliers which project teams can directly access. It will support the efficient use of resources.

In December 2020, the Government announced that it will support economic and social outcomes for Māori with a progressive procurement policy that targets Māori businesses. Cabinet agreed to set a target for mandated government agencies, which includes the Ministry, to award five percent of their procurement contracts annually to Māori businesses.

The Ministry has commenced working with Amotai, the New Zealand Government's intermediary for supplier diversity working across the country to connect government agencies to Māori and Pasifika owned businesses. We are working closely with Amotai to identify opportunities and overcome barriers for Māori and Pasifika businesses to engage in the Defence sector.

COVID-19 has had an impact on many businesses, including those in the Defence sector. The Ministry is regularly engaged through the New Zealand Defence Industry Association (NZDIA) and the New Zealand Defence Industry Advisory Council (NZDIAC) to monitor the health of the sector and identify any opportunities to further support businesses.



Deputy Secretary Capability Delivery, Mike Yardley, presents at an event awarding a Minister of Defence Award of Excellence to CAE New Zealand for work installing the NH90 simulator



## DELIVERING TO STRENGTHEN NATIONAL SECURITY TE KOKE KIA KAHA AKE AI TE HAUMARUTANGA Ā-MOTU

Our objectives	What we'll do
The Ministry is influential internationally and across the national security sector	<p>Targeted international engagement informed by a regularly refreshed <i>International Defence Engagement Strategy</i></p> <p>Defence supports a secure, stable and resilient Pacific</p> <ul style="list-style-type: none"> <li>Partnering with the Pacific, including through the regional security architecture</li> <li>Assisting Pacific partners to address security challenges</li> </ul>
A coherent and integrated policy and strategy system	Develop a policy and strategy framework that supports long-term planning
Delivering capability as promised	<p>Deliver on the Defence Capability Plan</p> <p>Optimising the Capability Management System to ensure it is contemporary</p> <p>Realistic scoping and forecasting that can adapt delivery to changing context</p>
The impact of our delivery is measured to inform future decisions	Develop and embed measurement into our work
Implement Operation Burnham Inquiry recommendations	<p>Implement the recommendations of the Expert Review Group</p> <p>Policy and legislation to establish the Inspector-General of Defence function</p>

### 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.

Working with the Defence Force, the Ministry has developed an overarching *International Defence*

*Engagement Strategy* that reflects Government priorities for Defence.

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 help us achieve our defence engagement objectives.

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

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.

### Long-term capability planning

To deliver on the Government's policy intentions, the Defence agencies undertake long-term planning to allow for sustainable, high-value investments to be considered. We intend to develop a policy and strategy framework to support this.

Defence's long-term investment planning assists 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 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.



Video conference attendees for the 2021 ASEAN Defence Senior Officials' Meeting Plus



## 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.

## Managing the capability portfolio

Defence's capability portfolio management provides an important link between planned investments and those projects that are already in delivery.

Defence has continued to develop and utilise capability portfolio management tools to enable planning and options for Government around the future scope and schedule of Defence capability investments.

The portfolio function examines the pipeline of investments, and potential for deferral and reprioritisation so that decision makers have response options that continue to maximise efficiency and value. Options cover whole-of-enterprise interests, and including readiness and personnel availability. There is also a portfolio monitoring function that provides health reports and occasional deep dives into specific areas of concern so that governance boards can be assured the portfolio isn't unduly 'overheating' or running inefficiently.



HMNZS *Te Kaha* sails out of Esquimalt Harbour, Canadian Forces Base Esquimalt, British Columbia, on 10 September 2020, to conduct sea trials following refit

## Delivering capability

The Ministry is managing the delivery of capability projects with a total value of \$5.789 billion. Details of these projects can be found in the Ministry's Annual Report for 2020/21.

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 Hercules transport aircraft to replace the current Hercules fleet.

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

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

Replacement of the Defence Force's major capabilities will not be a case of like-for-like replacement. The delivery of the replacement vessel to support the NZDF's dive and hydrographic capability, and the new 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.



Steel cutting for the new multi-purpose armoured Bushmaster vehicles

## Joint management of Defence capability

The joint Defence Capability Management System (CMS) has been designed to reduce risk and enhance the successful delivery of Defence capability projects. It provides assurance that capability projects follow best practice tailored to the Defence environment and sets the standards which governance apply to successfully deliver the expected outcomes and benefits. Key elements of the CMS are the integrated project team concept; a fit for purpose governance structure; and guidance, tools, practices and policies. These are continuously updated to ensure the system remains effective, fit for purpose, and in line with best practice.

### 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 CMS and drive end to end thinking at the project level and across the capability portfolio. This allows 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.

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.

### Governance of major defence capability projects

Defence's joint system of governance and management of our military capability projects, reflects 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.



Ministry and NZDF leadership providing governance for major defence capability projects

## Vision for the Capability Management System

In December 2020, Defence issued an updated *International Exemplar 2025*, which sets the vision for the CMS. It describes the seven key components of capability management that Defence strives to operate at a high state of maturity:

- capability requirement identification and management
- risk identification, monitoring and management
- estimation and forecasting of cost, schedule and benefits
- investment system maturity
- commercial practice – beyond contract writing, monitoring and delivery
- capability integration and change management
- through life capability management and operation excellence.

## External reviews of the system

In 2018, the Ministry commissioned Sir Brian Roche and PricewaterhouseCoopers to undertake a review of Defence Procurement Policies and Practices for Major Capability Projects to confirm that the CMS is functioning as intended. The 2018 Review and a follow-up Review in 2019, affirmed that the CMS provides decision makers with a strong level of confidence and assurance to support informed decision-making.<sup>2</sup>

A further follow-up review by Sir Brian Roche and PricewaterhouseCoopers commenced in June 2021. Findings will be delivered in the second half of 2021.



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<sup>2</sup> Both of these reviews can be found on the Ministry's website at <https://www.defence.govt.nz/publications>.

## Implementing Operation Burnham Inquiry Recommendations

The Ministry is working with the NZDF and other relevant agencies on implementation of the recommendations in the *Report of the Government Inquiry into Operation Burnham and related matters* (the Report) that was publicly released on 31 July 2020.<sup>3</sup>

One of the recommendations was to establish an expert review group to enable the Minister to satisfy himself “that NZDF’s organisational structure and record-keeping and retrieval processes are in accordance with international best practice and are sufficient to remove or reduce the possibility of organisational and administrative failings of the type identified in [the Inquiry’s] report”. The Ministry has supported the Expert Review Group, chaired by former Auditor-General and Controller, Lyn Provost, under its audit and assessment function. The review report was presented to the Minister of Defence in September 2021. The Ministry will work with NZDF

to implement the recommendations of this review once it has been considered by government.

In February 2021 Cabinet directed the Ministry lead the development of policy and legislative advice on the recommendation to establish an independent Inspector General of Defence. Policy development is well underway. An officials steering group with representatives from a number of agencies has been established as directed by Cabinet. The Ministry reports to the Minister of Defence and the Attorney-General who are jointly responsible for this work.

The other two Inquiry recommendations related to a Defence Force Order on civilian casualties (now completed), and detention policies and procedures (led by the Ministry of Foreign Affairs and Trade). Further details about the Ministry’s involvement in that work is provided in the Ministry’s 2020/21 Annual Report.



Ministry staff meeting under COVID-19 restrictions

<sup>3</sup> The *Report of the Government Inquiry into Operation Burnham and related matters* is available from <https://operationburnham.inquiry.govt.nz>.



## ENGAGING NEW ZEALANDERS ON DEFENCE TE WHAKATORO I TE KAUPAPA WAONGA KI A NGĀI AOTEAROA

### Our objectives

New Zealanders understand security issues, Defence's role and the value of the Ministry

We actively seek the input of New Zealanders on our work

### What we'll do

Develop and implement a communications strategy

Develop a statement of transparency for Defence

Develop a stakeholder engagement framework that is used by Ministry staff to lead their engagement activities

### Understanding security issues and Defence decisions

The Ministry will expand its communications to the public on Ministry activities, decisions on Defence policy settings, the deployment of Defence Force personnel, and Defence capability. The main channel for this information is currently the Ministry's website.

In addition to proactively publishing defence advice to Cabinet and the associated decisions, the Ministry produces an 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. An independent review process of the information compiled for each edition is undertaken currently by Audit New Zealand and provides a level of assurance to readers.

### Engaging on Defence

The Ministry will undertake work to ensure its domestic engagement work is effective and identify opportunities for further outreach. This is separate to work engaging industry referred to in focus area 2, and the international engagement referred to in focus area 3.



# 4

## OUR CAPABILITY Ō Mātou Āheinga



# HOW THE MINISTRY DELIVERS OUR WORK

## ABOUT THE MINISTRY

The Ministry is a civilian agency of about 165 staff, most of whom are 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 Spirit and Character is to be:

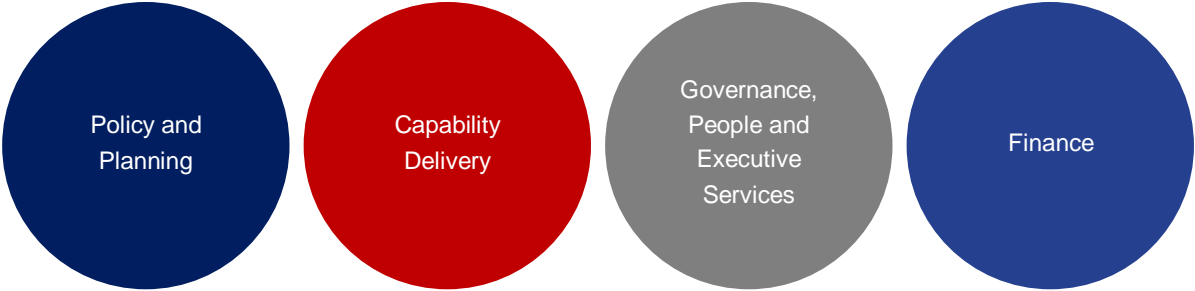
<p><b>INFLUENTIAL KIA WHAI MANA</b></p> <p>Our work shapes the agenda and our advice is persuasive</p>	<p><b>COLLABORATIVE KIA MAHI TAHI</b></p> <p>We work together and in partnership. We build trusted relationships to understand what’s going on and get things done</p>	<p><b>COURAGEOUS KIA KAHA</b></p> <p>We do the right thing, even when that is personally and professionally hard</p>
<p><b>DYNAMIC KIA HIHIRI</b></p> <p>We see where change will improve results, we self-start it, and we see it through</p>	<p><b>PRAGMATIC KIA WHAI KIKO</b></p> <p>We find a way; we are practical, resourceful, and hard-nosed</p>	<p><b>PROFESSIONAL KIA NGAIO</b></p> <p>People know us for our integrity, skills and attitude</p>

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

communications services, and some security services.

The Ministry has shared services arrangements with the New Zealand Defence Force for property, IT and

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, see their contribution recognised and feel both valued and included.

During this course of this Statement of Intent, the Ministry will develop a refreshed People Strategy that draws on the Papa Pounamu priority commitments for the public service.

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

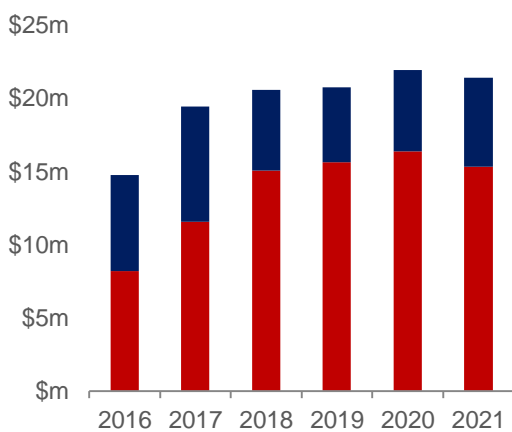
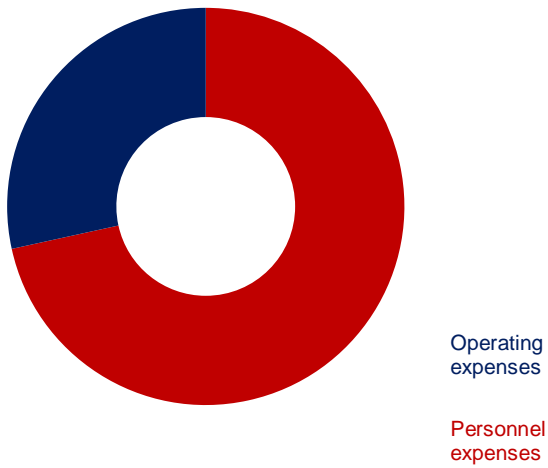


Figure 5: Departmental expenditure by category in 2020/21 (top) and over five years (bottom)



## VOTE DEFENCE

The Ministry delivers its work through a departmental appropriation as well as operating a Crown capital appropriation on behalf of the Minister of Defence for its work procuring major military equipment.

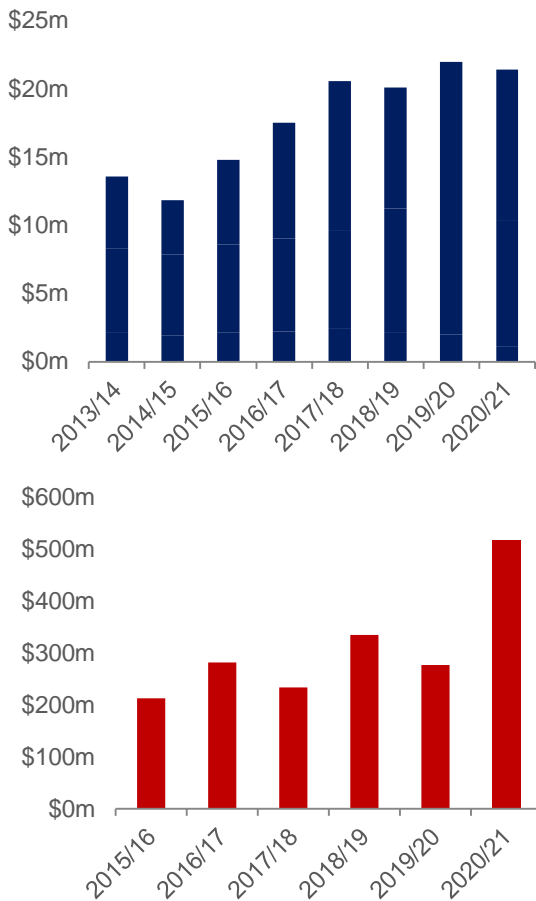


Figure 6: The Ministry's work is delivered through a departmental appropriation (top) and a Crown capital appropriation (bottom) for delivering Defence capabilities

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

## 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 AND INCLUSIVE MINISTRY

The Ministry contributes to a common set of public service commitments to diversity and inclusion. The five Papa Pounamu priority commitments are:

strengthening cultural competence	addressing bias and discrimination	building inclusive leadership	developing relationships that are responsive to diversity	supporting and engaging with employee-led networks
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The Ministry continues to build its knowledge and understanding of these areas with the Leadership Team attending and encouraging all staff to participate in workshops and activities. This includes workshops on Unconscious Bias and Cultural Intelligence. New staff will be encouraged to attend these workshops as part of a range of learning and development opportunities.

The Ministry has three key employee-led networks with executive sponsorship. The Social Club is inclusive of all Ministry staff and arranges events for people to build relationships across the Ministry. The Pride Network has been focused on educating and encouraging other staff to become allies of the LGBTQI+ communities. The Women’s Network was established in March 2021 and has actively engaged in helping the Ministry create a fit for purpose Gender Pay Gap Action Plan.

## Gender diversity and the gender pay gap

A major, continued focus is gender pay and diversity. Our gender balance has improved (53% of staff in 2021, compared to 36% in 2013). The percentage of females in management roles has also increased from 19% in 2013, to 38% as at June 2021. Five years ago we had no female project managers. This now sits at 40% (20 females, 30 males).

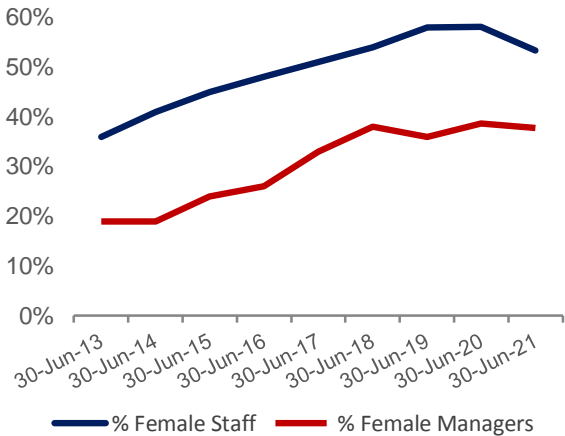


Figure 7: Proportion of female staff and managers

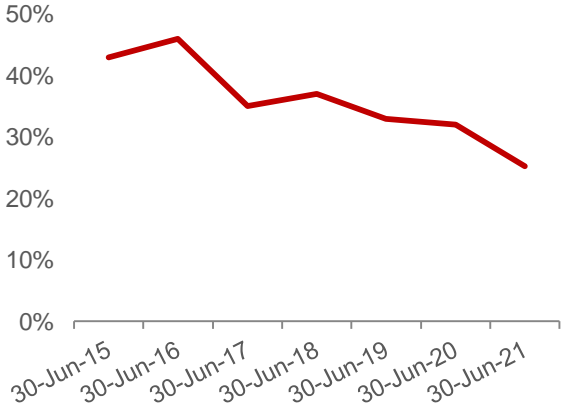


Figure 8: The Ministry's gender pay gap

Reducing the Ministry's gender pay gap remains our biggest challenge: 25% at June 2021 it is still well above the June 2020 Public Service gender pay gap of 9.6%<sup>4</sup>.

<sup>4</sup> Figure from Te Kawa Mataaho’s Human Resource Capability survey

We have reviewed every position in the Ministry and established that our gender pay gap is caused by occupational or seniority differences in the male and female workforces overall. This is commonly referred to as vertical or occupational segregation.

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

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).
2. To increase the percentage of female managers in the Ministry to a minimum of 40% over the next 5 years.
3. That 50% of appointments made to the Capability Delivery Division each year over the next five years will be female.

Success in shifting our gender pay gap requires sustained effort and more will be needed over the next few years to achieve the level of change we are seeking.

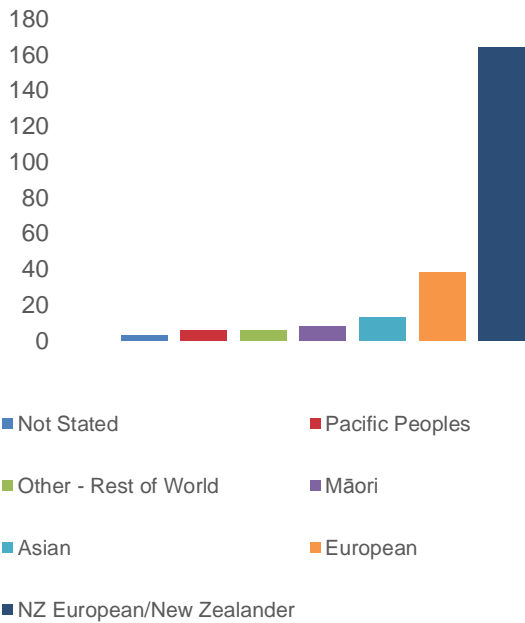


Figure 8: Ethnicities that Ministry staff identified with, as of 30 June 2021 (staff are invited to identify with up to three ethnicities)

### Improving diversity

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 acknowledge that Māori are not well represented in our workforce and we are working on how to improve this.

The following are some measures we are taking to broaden our diversity talent pool:

- active participation in the cross-government Tupu Tai Pasifika summer intern programme;
- actively engaging with universities so that we get in front of a broader range of people to attract them to consider working with us;
- identifying and addressing biases in the way we advertise and recruit;
- ensuring forms allow for the non-binary disclosure of gender;
- promoting the Ministry as an inclusive organisation, where a variety of people would want to work;
- participating in a stocktake of our Diversity and Inclusion practices with the Te Kawa Mataaho and Diversity Works.