

G.4 SOI (2024)



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

MINISTRY OF DEFENCE | MANATŪ KAUPAPA WAONGA

Statement of Intent

Tauākī Whakamaunga Atu

JULY 2024 – JUNE 2028

Te Kāwanatanga o Aotearoa
New Zealand Government

defence.govt.nz



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Published in August 2024 on the Ministry of Defence website: defence.govt.nz.

Strategic Intentions presented to the House of Representatives pursuant to section 38 of the Public Finance Act 1989.

ISSN: 2463-6436

The Ministry of Defence administers the Defence Act 1990.

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C130H Hercules departing Whenuapai to provide aid relief in Papua New Guinea following 2024 landslides

CHIEF EXECUTIVE'S STATEMENT OF RESPONSIBILITY

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



Brook Barrington
Secretary of Defence

30 July 2024

RESPONSIBLE MINISTER'S STATEMENT

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 Judith Collins KC MP
Minister of Defence

22 August 2024

SECTION ONE | WĀHANGA TUATAHI

Introduction

Tīmatanga kōrero

WHO WE ARE AND WHAT WE DO

The Ministry of Defence is the Government’s lead civilian advisor on defence and is responsible for purchasing major capability used by the New Zealand Defence Force in order to enhance the security and national interests of New Zealand and its people.

Ko Te Manatū Kaupapa Waonga te kaitohutohu tūmatanui matua ki te Kāwanatanga mō ngā kaupapa waonga, ka whai takohanga ki te hoko i ngā rawa nui e whakamahia ana e Te Ope Kātua o Aotearoa hei whakahaumako i ngā take whakahaumarū ā-motu o Aotearoa me tōna iwi.

Collectively referred to as ‘Defence’, the Ministry of Defence (the Ministry) and the New Zealand Defence Force (the NZDF) are separate agencies that work together to ensure the New Zealand Government receives robust advice on defence and security matters, incorporating military and civilian perspectives.

The Defence agencies work together to develop and deliver a work programme through Vote Defence and Vote Defence Force to meet government objectives. Together, we deliver on the Minister of Defence’s priorities for the Defence portfolio.

The Ministry exists as a separate agency from NZDF to ensure clear division of responsibilities and accountabilities. The Defence Act 1990 articulates the roles of the Ministry and although not a monitor of NZDF,

the Ministry ensures the military view is balanced with civilian advice. The separation between the two agencies is part of New Zealand’s Defence legislative arrangements.

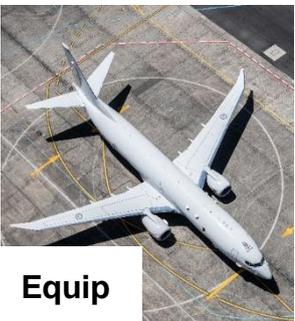
The value of the Ministry to Government, the NZDF and the New Zealand public is its:

- focus on sound stewardship of high value, high risk military procurement
- lead on developing strategies for Defence
- provision of civilian perspective on defence matters, and
- fostering of links with agencies and our international partners.

What we do



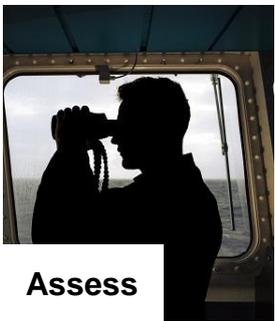
Plan



Equip



Partner



Assess

PLAN

The Ministry regularly assesses major strategic trends and conducts in-depth assessments on emerging and evolving issues that could affect New Zealand's national security interests. These assessments inform the Government's defence policy settings.

The Ministry assesses the strategic environment and provides Government with civilian advice on Defence policy issues including advice on future investment options. The Ministry undertakes reviews of Defence policy and strategy settings as well as specific pieces of policy work as directed by the Minister such as legislative reform.

EQUIP

Modern military capability is inherently complex, often requiring the integration of weapon systems, multiple sensors and communications. The Ministry has a strong track record of delivering major military capability on budget and to scope.

The value to New Zealand is the assurance that these projects are well managed and fiscal risks are mitigated. The system developed by the Ministry to manage these significant procurements has been assessed as "the leading example for long-term capital planning within the public sector".

The Ministry purchases major equipment which becomes a capability when it is used by the NZDF. Once Cabinet has approved an investment, the Ministry is responsible for the successful delivery of the project from procurement to introduction into service.

This work is done in partnership with the NZDF, through integrated projects teams.

PARTNER

The Ministry works with the NZDF to shape New Zealand's relationships with foreign militaries and security organisations. We

provide advice to Government and direction on defence relationships to maximise New Zealand's security and boarder interests. Having a network of strong international relationships serves to protect and advance our interests.

The Ministry also leads the development of civilian advice to the Government on deployments of NZDF personnel and assets, and international defence engagements. This advice supports Government decisions that reinforce the international rules-based system, contribute to collective security efforts, and benefit New Zealand's defence and foreign policy. This work is done in line with New Zealand's national security priorities, jointly with the Ministry of Foreign Affairs and Trade and other relevant agencies.

Strong international defence relationships ensure New Zealand works closely with trusted partners in responding to security challenges, and supports New Zealand's broader foreign and economic policy objectives. The Ministry undertakes engagements with its counterparts overseas and prepares the Minister to engage at a Ministerial level in bilateral and multi-lateral environments.

ASSESS

We also conduct audits and assessments of the NZDF and the Ministry's military procurements to support continuous improvement and undertake specific assessments as commissioned by the Minister.

To ensure the audit and assessment effort is efficiently targeted, the work programme focuses on areas presenting the greatest risk to the Defence system that are not being addressed by another programme of work. The Ministry is also using this work programme to drive increased use of performance measurement and data insights to improve decision making and evaluation across Defence.

WHO WE WORK WITH

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

- **The New Zealand Government:** With the NZDF, we deliver the policies and capabilities, and foster relationships to meet the Government’s policy objectives.
- **The Minister of Defence:** We deliver policy advice and assessments and support the Minister in their domestic and international defence engagements.
- **New Zealand Defence Force personnel:** We deliver safe, effective systems and equipment that become a defence capability when used by NZDF service personnel. We work alongside the NZDF in preparing advice on offshore deployments of NZDF personnel.

The Ministry primarily works with the following New Zealand government agencies:



Figure 1: New Zealand government agencies that the Ministry of Defence works with

WE ARE PART OF THE NATIONAL SECURITY SECTOR

The Ministry is a lead policy agency within the national security sector. Our responsibility is to collaborate and integrate with other security agencies, to deliver:

- 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, and
- improved attraction, development and retention of skilled people, by providing career pathways across the national security sector and with other sectors.

Defence supports the National Risk Framework, with the Secretary of Defence and the Chief of Defence Force supporting

Strategic Crisis Response as members of the Officials Committee for Domestic and External Security Coordination and Strategic Governance as members of the National Security Board. This provides leadership, coordination and support of all-of-government responses to national security issues.

New Zealand's first ever *National Security Strategy* was launched in 2023 alongside strategy for Defence in the *Defence Policy and Strategy Statement* and the *Future Force Design Principles*.

The *National Security Strategy* promotes a focused, integrated, and inclusive approach. In line with the *Defence Policy and Strategy Statement*, it underscores the importance to New Zealand of a peaceful, stable, and resilient Pacific, and recognises the value of close international relationships for the security challenges we face.



As part of the security sector, the Ministry’s work also contributes to the three outcomes and priorities for the sector:

<p>New Zealand is protected from threats</p> <p><i>Priority: Acting early to prevent national security threats and build New Zealand’s resilience</i></p>	<p>A resilient society, informed and engaged on national security challenges</p> <p><i>Priority: Working together to foster collective understanding and approaches</i></p>	<p>An effective national security system</p> <p><i>Priority: Leading an integrated approach</i></p>
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Other key strategies include:

- The National Space Policy underscores the Ministry’s priority to ensure Defence’s interests in space are represented and reflected within major government policy products. The Ministry works closely with our international partners to advance New Zealand’s interests in space, particularly through our membership to the Combined Space Operations initiative. This work aligns with the Ministry’s additional work to uplift Defence’s cyber capabilities.
- The 2024 *Maritime Security Strategy* ensures New Zealand has a maritime security sector that is able to continue to secure New Zealand’s marine economic, cultural and environmental interests for future generations. This aligns with the *Defence Policy and Strategy Statement’s* emphasis on acting early and deliberately to shape our security environment. A key focus for Defence is protecting New Zealand’s sovereignty, including through maritime security.

PARTNERING WITH THE DEFENCE FORCE

Together, the Defence agencies deliver on the Minister of Defence’s priorities for the defence portfolio. There are areas where the Ministry leads, such as the procurement of major military equipment, but this is done in close collaboration through project teams that have both civilian and military personnel.

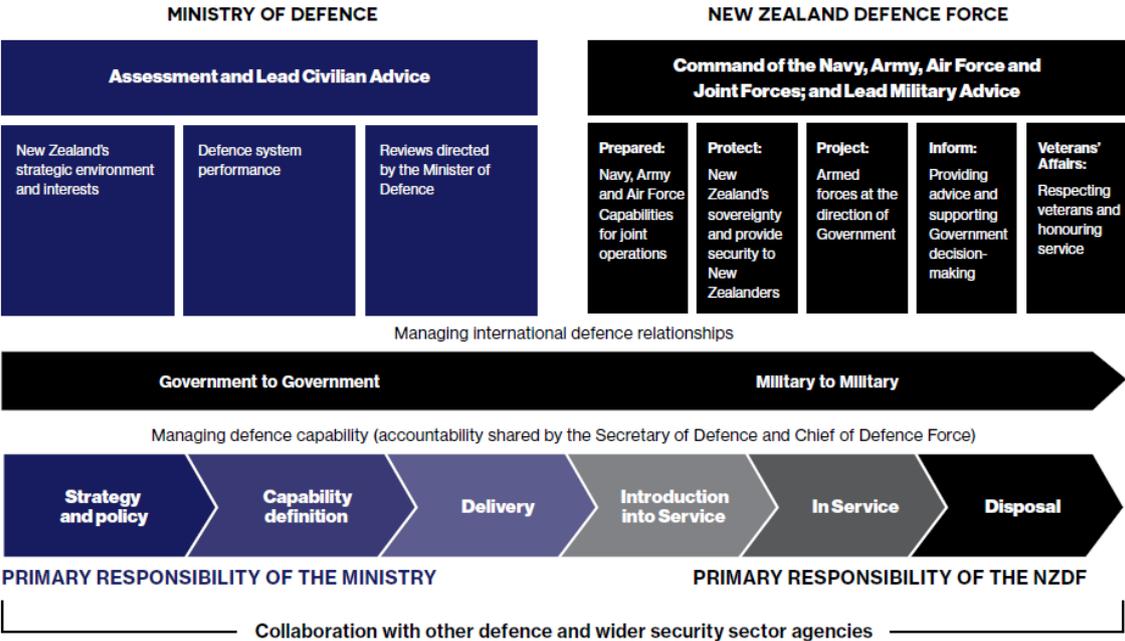


Figure 2: Respective roles of the Ministry of Defence and New Zealand Defence Force

Partnering for effective deployments

The Defence agencies are implementing an integrated programme of change that strengthens inter-agency policy consultation and advice for military operations. The programme is jointly delivered by the Ministry and NZDF, and gives effect to the recommendations of the Expert Review Group Report, which followed the Operation Burnham Inquiry.

Advising on deployments

Work continues to implement a more robust approach to preparing advice to Ministers on military operations, policy advice to deployed military commanders, strategic level monitoring of operations, and a proactive system of post operation reviews.

The Ministry leads on the development of Cabinet papers relating to deployments, again in close collaboration with NZDF and the Ministry of Foreign Affairs and Trade. As a result of these changes, the Ministry also leads on coordinating in-operation reviews of deployments, as well as post-operation analysis.

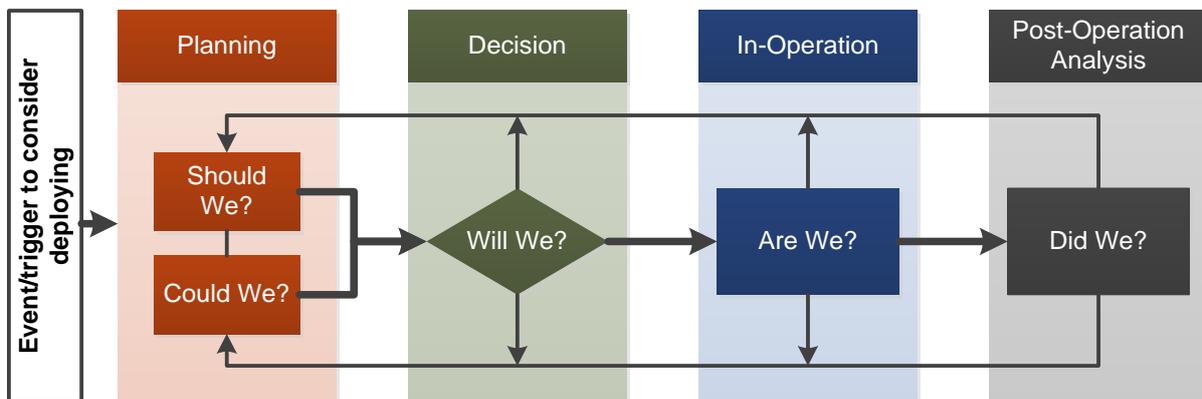


Figure 3: The operations lifecycle for considering a deployment. The Ministry is expanding its work in relation to the 'Should We' element, and also coordinating the new 'Are We' reviews and 'Did We' analysis.

Advice to support NZDF operations

The first Ministry of Defence Policy Advisor (POLAD) was deployed alongside NZDF personnel in November 2021. The POLAD programme promotes civilian oversight across the deployment lifecycle and is a crucial link between operations and policy.

The programme was established in response to the Expert Review Group's recommendation for the provision of real time policy guidance throughout NZDF operations.

OUR OPERATING ENVIRONMENT

New Zealand is facing a more challenging strategic environment than we have for decades, with increasing and compounding threats to our security. The use, and threat of use, of military power is increasingly shaping states' interactions. We face an increasing risk of conflict directly affecting New Zealand's national security. These challenges are also faced by Australia, the Pacific, and other states that share our interests.

For decades, New Zealand has benefited from a strategic environment characterised by an international rules-based system that reflects our values and supports our interests. This system of international law, norms and institutions contributes to stability, and enables collective action across a range of issues.

In recent years, growing strategic competition has challenged the effectiveness of this system. Some states are acting in ways counter to recognised international rules and norms, and advancing competing visions for regional and global orders that are at odds with New Zealand's values and interests. This strategic competition is increasingly the backdrop for states' relationships, and is prompting major powers and regional states to adopt more offensive postures, join new

partnerships, and invest in defence and other instruments of national power.

China's assertive pursuit of its strategic objectives is the major driver for the new era of strategic competition among states, both globally and particularly in the Indo-Pacific. Meanwhile, the ongoing conflict in Ukraine stemming from Russia's illegal invasion in February 2022 continues to have consequences for the international rules-based system.

New Zealand's interests are global. The Government expects and will continue to direct Defence to contribute to global security and the reinforcement of the existing international rules-based system. This includes, for example, our long-standing contributions to peace and security in the Middle East and Africa.

At the same time, climate change remains a paramount global challenge, directly affecting national and regional security, and exacerbating strategic competition and other security threats. The impacts of climate change will exacerbate existing fragilities, including in the Pacific, which in turn can increase economic and governance risks.

THE DIRECTION FOR DEFENCE

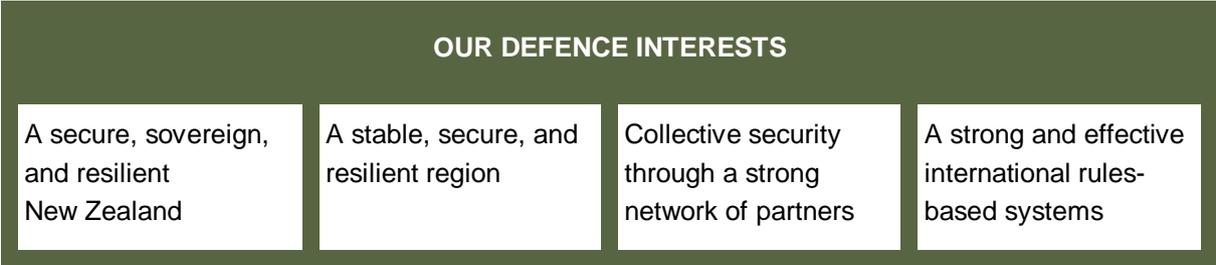
Defence’s direction is set by the Government’s defence policy and strategy settings. The latest articulation of those are the two key strategic documents published in August 2023 as part of the Defence Policy Review – the *Defence Policy and Strategy Statement* and the *Future Force Design Principles*. These provide strategic direction for both the Ministry and NZDF (the Defence agencies).

DEFENCE POLICY AND STRATEGY STATEMENT

The *Defence Policy and Strategy Statement* articulates the Government’s updated defence policy and strategy approach to respond to the deteriorating strategic environment.¹ It identifies two principal threats for New Zealand:



These threats are increasing the risk to key defence interests:



The Statement emphasises the importance of acting early and deliberately in pursuing and protecting our defence interests, particularly in the Pacific, by:



Three mutually reinforcing themes give effect to defence policy settings:



¹ The *Defence Policy and Strategy Statement* is available on the Ministry’s website at <https://defence.govt.nz/publications/defence-policy-review-defence-policy-and-strategy-statement-2023>

What this means for the Defence agencies is:

- **Understand:** have increased awareness of our strategic and operating environments by maximising the use of defence capabilities and technologies.
- **Partner:** improve and enhance our partnerships within and beyond New Zealand to support collective security approaches to shared challenges, and maximise interoperability with security partners.
- **Act:** be ready and able to promote and protect New Zealand's interest by shaping our security environment with credible, combat capable, deployable force to operate across the spectrum of operations (from humanitarian assistance through to combat).

FUTURE FORCE DESIGN PRINCIPLES

Published alongside the Statement, the *Future Force Design Principles* (FFDP) works to inform the Government's decisions for the development of the Defence Force over the next 15 years.² It identifies 11 principles and four underlying assumptions to guide future force design and capability requirements. These principles will guide the Government's investment in the NZDF to ensure it stabilises and grows to respond to the increasingly tense strategic environment.

In light of the fact New Zealand faces increasingly complex and challenging threats to its security, the FFDP states the Defence Force will need to be deployed more often and in a broader range of environments. The FFDP concludes that, in the short-term, investment is needed to stabilise the NZDF to ensure it can meet current demands, and that further analysis on future requirements is needed to determine specific capability required for the evolving environment. Additionally, in the medium to long-term, investment in the NZDF is needed so it can continue to protect and promote New Zealand's interests. In the strategic outlook now confronting New Zealand, the Defence Force will be called upon more often, and personnel must be equipped and trained for a range of operations.

DEFENCE CAPABILITY PLAN

As the third product of the Defence Policy Review, the Minister of Defence directed the Ministry to provide options for a Defence Capability Plan.

Decisions by Cabinet on a new Defence Capability Plan will signal the Government's investment intentions for Defence.

² The *Future Force Design Principles* is available on the Ministry's website at <https://defence.govt.nz/publications/defence-policy-review-future-force-design-principles-2023>

GOVERNMENT PRIORITIES AND MINISTERIAL FOCUS AREAS

As stated in the Speech from the Throne in November 2023, the Government's priorities include:

- delivering public services so they are more efficient, effective, and responsive to all who need and use them
- an active foreign, defence and trade policy agenda that enhances our security and makes us a participant in major global and regional developments
- protecting the values of democracy, freedom and security.

In support of these priorities, the Ministry is focused on sound stewardship of high value procurement, providing defence policy advice and a civilian perspective on defence matters, and fostering links with agencies and our international defence partners.

The Minister of Defence has identified three core focus areas for the Defence portfolio – spanning both the work of the Ministry of Defence and the NZDF:

Reinvigorating our international relationships with key security partners

As New Zealand finds itself in an increasingly complex geopolitical environment, strengthened relationships with Indo-Pacific and Five Eyes partners are even more important.

This priority will be demonstrated through our involvement in international operations, joint training and engagement in the Pacific, Indo-Pacific, and globally to support security, stability and humanitarian efforts with our key partners.

Setting a clear policy direction to increase our defence force capabilities to ensure New Zealand remains a credible defence partner

New Zealand's environment is changing. Strategic competition is increasing and climate change will continue to affect our region. The Government has indicated that it needs to receive clear, grounded advice on the investment options and costs of sustainable Defence Force capabilities, to best respond to this situation.

The Ministry and NZDF will jointly deliver this priority, primarily through the development of a Defence Capability Plan, with annual progress updates once approved. This investment plan will provide coherent choices for the government to ensure Defence Force capabilities are fit-for-purpose and can deliver government policy and strategy in an increasingly contested strategic environment.

Rebuilding our personnel capability in order to strengthen and maintain our nations' collective security

The NZDF is facing workforce challenges. The Ministry is ensuring NZDF workforce considerations are included in future investment planning, and will continue to work alongside the NZDF to integrate new defence capabilities.

As the new Government progresses its work programme, the Ministry is working with the Minister of Defence and Associate Minister of Defence to ensure that our work programme is focused on these priorities.

SECTION TWO | WĀHANGA TUARUA

Our strategic direction

Tō mātou ahunga rautaki

OUR STRATEGIC INTENTIONS

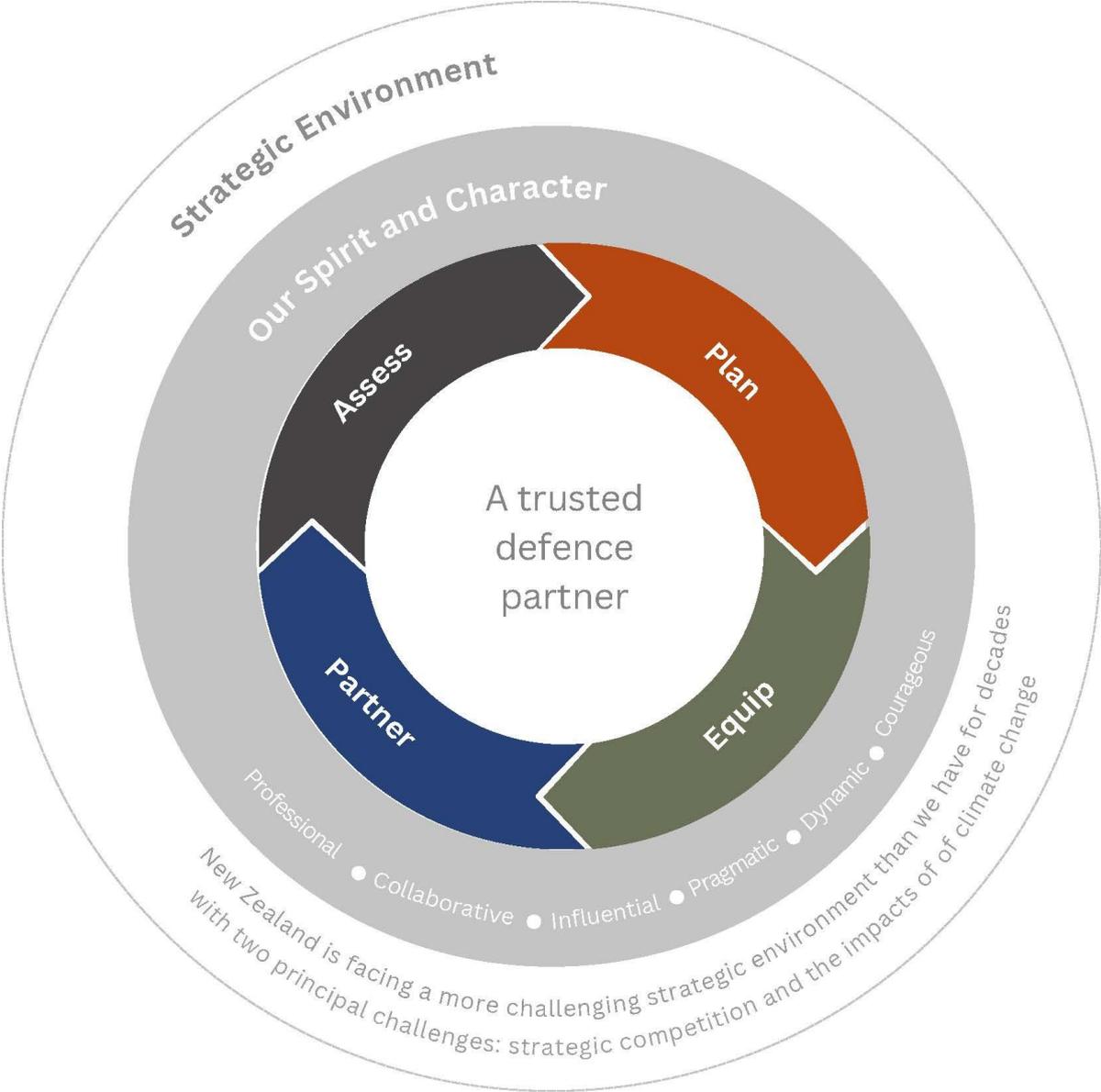
Our vision of the Ministry as a **trusted defence partner** is delivered through four strategic objectives, and is supported by our spirit and character:

Plan: New Zealand's national security is enhanced by defence planning that is able to foresee strategic challenges, shapes defence policy to match them and delivers a credible defence capability investment pipeline to respond to challenges to New Zealand's interests now and in the future.

Equip: The NZDF is equipped to meet New Zealand's defence and security needs. The Ministry delivers major defence capabilities that are timely and fit for purpose.

Partner: Our partners have confidence in the New Zealand Defence system. We provide a valuable contribution to addressing security challenges that impact New Zealanders. The Ministry is respected for its expertise.

Assess: New Zealand understands the performance of the Defence system. A series of assessments demonstrate system credibility, support continuous improvement of the system, and strengthen the Ministry's ongoing advice to decision makers.

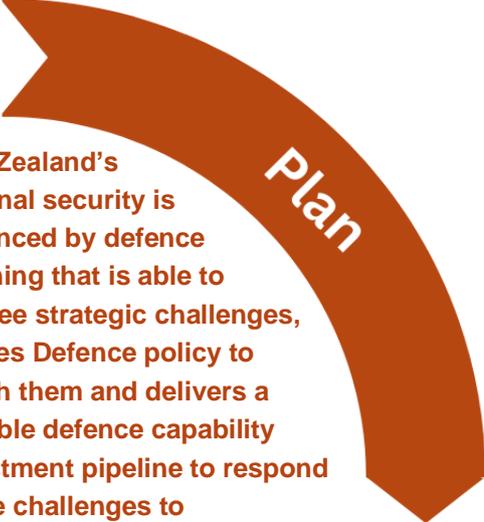


Successful planning will see

- **sustainable defence plans:** The Government is provided with sustainable plans for Defence that address strategic and fiscal challenges.
- **a responsive and resilient Defence:** Defence is responsive and resilient to external shocks and balances policy, capability and funding requirements.

We deliver by

- developing New Zealand's strategic defence policy settings, through defence assessments and policy papers, defence policy and strategy statements, and defence white papers
- leading defence policy on specific subject matter areas, including but not limited to space, cyber, emerging technology, maritime security and climate change
- ensuring the ongoing effectiveness of the Defence regulatory system, including by administering the Defence Act that enables and supports NZDF activities, and reviewing defence policy and law to ensure it remains fit for purpose in a modern context
- providing advice to government on military capability options, in partnership with the NZDF
- managing the capability portfolio, in partnership with NZDF portfolio functions, including by taking a data-driven approach to benefits realisation.



New Zealand's national security is enhanced by defence planning that is able to foresee strategic challenges, shapes Defence policy to match them and delivers a credible defence capability investment pipeline to respond to the challenges to New Zealand's interests now and in the future.

We influence by

- working effectively and influentially across the wider National Security System to deliver defence policy
- building and maintaining strong enduring relationships between the Ministry and NZDF, along with other government agencies in the National Security System
- engaging with partners on investment planning to support improved interoperability
- encouraging innovative thinking, and robust internal and external challenge of ideas
- investing in our people, to ensure that the Ministry is valued for its expertise.

Key indicators and milestones for this strategic objective:

1.1 Delivering long-term military capability planning will include:

- 1.1.1 **MILESTONE:** a Cabinet-approved Defence Capability Plan.
- 1.1.2 **MILESTONE:** timely investment options on individual capabilities to Cabinet, in line with the Defence Capability Plan – with Cabinet consideration of investment business cases reported in the Ministry's annual report.
- 1.1.3 **INDICATORS:** an annual assessment of the quality of investment advice through an independent review of policy advice and a survey of the Minister's satisfaction of policy advice, both of which will be reported in the Ministry's annual report.
- 1.1.4 **INDICATORS:** reporting on the timeliness of capability advice, and delivery against requirements, as part of the Ministry's annual report.

1.2 To ensure the ongoing effectiveness of the Defence regulatory system:

- 1.2.1 **MILESTONE:** we will provide advice to Ministers on a targeted review of the defence regulatory framework. This work will be reported in the Ministry's annual report.

1.3 Supporting effective Defence strategic policy, as well as Defence input into across-government policy matters will involve:

- 1.3.1 **MILESTONE:** the publication of periodic Defence assessments.
- 1.3.2 **MILESTONES:** the publication of Cabinet papers on key defence policy decisions on the Ministry's website, with redactions as required, in accordance with the Government's proactive release policy.
- 1.3.3 **INDICATORS:** the annual assessment of randomly selected policy advice – including defence assessments – through an independent review of policy advice and a survey of the Minister's satisfaction of policy advice.



Successful equipping of the NZDF will see

- **investment advice:** We will deliver investment cases that are aligned with Defence's strategic direction and meets the Government's defence policy objectives. This will deliver a complex and integrated capital programme that supports the Government to make the right investment decisions at the right time. This will prioritise Defence's requirements, in order to achieve better outcomes.
- **capability delivered:** We will deliver major defence equipment and capability on time, to budget and to agreed scope. Capability will be successfully introduced into service to enable the NZDF to deliver military effects. This is done through a capability management system that assesses the whole of life for costs, is future-proofed, and delivers a comprehensive solution to the NZDF.
- **engaged and informed industry:** Industry will be engaged, informed and ready to respond to Defence requirements. The Ministry's procurement will be robust, consistent and transparent.

We deliver through

- **major capital investments:** Delivering major capital investments in the Defence Capability Plan.
- **governance:** Continuing operation and enhancement of a contemporary and fully integrated end-to-end Capability Management System (CMS) that enables the cost effective design, delivery, maintenance and eventual disposal of military capability. Defence has a CMS International Exemplar to ensure it has a repeatable, consistent, and continuously improving system.

The NZDF is equipped to meet New Zealand's defence and security needs. The Ministry delivers major defence capabilities that are timely and fit for purpose.



- **industry:** We work closely with Industry to promote greater understanding of opportunities for future defence investments. We also do this to be better informed in the preparation of advice to Government on future capability decisions.
- **integrated project teams:** We work in partnership with the NZDF to bring together complementary skills to deliver defence capability.

We influence by

- working alongside the NZDF throughout the capability management lifecycle, from seeking requirements through to the integration of new capability.
- working with Industry to deliver defence capability projects.
- understanding risks and challenges relating to the international supply chain.

Key indicators and milestones for this strategic objective will be:

2.1 We will ensure NZDF is equipped to meet New Zealand defence and security needs by:

2.1.1 **MILESTONES:** delivering the capability projects in the Defence Capability Plan, particularly:

2.1.1.1 infrastructure for the new P-8A Poseidon aircraft

2.1.1.2 five new C-130J Super Hercules aircraft.

2.1.2 **INDICATOR:** realising the benefits set for each capability project, with delivery for each project reported in the Ministry's annual report, alongside an assessment of the delivery of benefits across the portfolio of Defence capability projects, reported in the Ministry's annual report.

2.2 Project delivery performance will be reported annually through:

2.2.1 **INDICATORS:** reporting in the Ministry's annual report on delivery against requirements, budget and schedule for the portfolio of defence capability projects

2.2.2 **MILESTONES:** reporting details of delivery over the year and to-date in the Ministry's annual report. This is supplemented by additional detail in the Major Projects Report that is independently audited, considered by the Foreign Affairs, Defence and Trade Select Committee, and published on the Ministry's website.

2.2.3 **MILESTONE:** reporting on the effective and efficient spend to forecast on capital investment for major defence capability projects in the Ministry's annual report, alongside details of spend to-date for each project.

2.3 We will maintain the effectiveness of the joint Capability Management System by:

2.3.1 **MILESTONE:** undertaking ongoing review and improvement activity, with significant activities reported in the Ministry's annual report.



Building the new C-130J-30 Hercules at Lockheed Martin facilities in the United States

Successful partnering will see

- **a strengthened Defence system:** We will reinforce our relationships with NZDF, the national security sector, international defence partners, academia and industry. These relationships will enable the Ministry to be better informed, more influential and be able to provide high quality advice to Government.
- **regional and global stability:** We will continue to strengthen relationships, defence policy advice and activities that contribute to regional stability, resilience and conflict resolution, including advice on the deployment of the NZDF. This will amplify New Zealand's influence and promote our interests and values.
- **like-minded partnerships:** We will re-energise traditional like-minded security partnerships, especially with our ally Australia. This will amplify the Ministry's contribution to a strong and effective rules-based international system which benefits New Zealand.
- **enhanced capabilities:** We will work with partners, global defence industry, science and technology entities. These partnerships will support the improved effectiveness and interoperability of our combat and other military capabilities, helping to ensure New Zealand is seen as a credible partner.

We deliver through

- developing and implementing the Defence Capability Plan
- progressing the Maritime Fleet Renewal with the NZDF
- partnering with NZDF to support the regeneration of the NZDF workforce and its efforts to be fiscally sustainable, including working with Treasury to identify opportunities to work towards funding certainty for the NZDF.



- deploying with partners to contribute to a strong rules-based international system of benefit to New Zealand
- advancing key international defence relationships that support New Zealand's interests
- **Australia:** strengthening our alliance relationship including through interoperability, joint procurement and intensified co-operation
- **Pacific:** hosting South Pacific Defence Ministers' Meeting in 2024, strengthen the South Pacific Defence Secretary Dialogue and continuing to support Pacific Defence policy capability
- **Industry:** creating and implementing a new defence industry strategy
- **Academics:** exploring opportunities for academic engagement.

We will influence outcomes by

- partnering within the national security sector to deliver against the *National Security Strategy* outcomes
- bringing our understanding of partners' defence policy and priorities to our advice
- contributing policy advice to support NZDF deployments throughout the deployment lifecycle.

Key indicators and milestones for this strategic objective will be:

3.1 Successful partnering will involve:

- 3.1.1 **MILESTONES:** reporting in the Ministry's annual report key activities advancing international defence relationships. This will include:
 - 3.1.1.1 hosting the South Pacific Defence Ministers' Meeting 2024
 - 3.1.1.2 hosting of the ASEAN policymakers course in 2024
 - 3.1.1.3 promoting connections with Pacific Secretaries of Defence through work as secretariat to the South Pacific Secretaries of Defence Dialogue annual meeting activities
 - 3.1.1.4 supporting senior leaders and the Minister of Defence during counterpart talks, and – with NZDF – holding annual official Defence talks with our Pacific counterparts
 - 3.1.1.5 continuing secondments in Defence policy with Fiji and Papua New Guinea
 - 3.1.1.6 working with our ally Australia, to strengthen the Australia-New Zealand alliance.

3.2 We will support regional and global stability through:

- 3.2.1 **INDICATOR:** advice to the Government on the deployment of the NZDF, which will be published on the Ministry's website, with necessary redactions, in accordance with the government's proactive release policy.
- 3.2.2 **INDICATORS:** annually assessing the quality of deployment advice through:
 - 3.2.2.1 an independent review of a selection of policy advice and
 - 3.2.2.2 a survey of the Minister's satisfaction of policy adviceboth of which will be reported in the Ministry's annual report.

3.3 We will enhance defence capabilities through our work with defence industry:

- 3.3.1 **MILESTONE:** development of a new defence industry strategy



Ministry officials support Solomon Islands to develop their Maritime Strategy in 2023

Successful assessing will see

- **enhanced performance and a more resilient system:** This work will lead to improvements in how the NZDF and Ministry conduct their business, better integration across the Defence system, and heightened ability to respond to a challenging environment.
- **improved risk management:** Our assessments will evaluate whether risks are being proactively identified, promptly mitigated, and improvements ingrained within the Defence system and its processes. Strong risk management practices support Defence to deliver its outputs and outcomes.
- **evaluation of Defence progress against policy and strategy:** Our assessments will support understanding of how Defence is tracking against the Government's defence policy and strategy settings.

We deliver through

- annual reporting of Defence system performance against defence policy and strategy settings
- reviewing Defence operations while they are underway and assessing operations when they end – as part of the Defence Operations Lifecycle Framework



- thematic audits and assessments of NZDF functions, duties, or projects, and audits and assessments relating to the Ministry's procurement, replacement, or repair of major military capabilities.

We will influence this outcome by

- carrying out environmental scans using internal and external publications and reports to gauge sentiment about Defence, which will inform future audit and assessment work
- monitoring Defence system performance to identify areas of risk, or areas that may be of interest to the Minister of Defence, for possible inclusion in the future audit and assessment work programme
- creating tools to support data- and evidence-led decision-making.

Key indicators and milestones for this strategic objective will be:

4.1 We will support continuous improvement of the Defence system through:

- 4.1.1 **MILESTONE:** the approval of the audit and assessment work programme by the Minister of Defence.
- 4.1.2 **MILESTONE:** delivering annual reporting on Defence's delivery against the Government's defence policy and strategy settings.
- 4.1.3 **INDICATOR:** a survey of the Minister's satisfaction with the quality of audits and assessments, which will be reported in the Ministry's annual report.

MONITORING AND REPORTING ON OUR PERFORMANCE

The Ministry’s work programme is aligned to our strategic objectives. Our priorities will be regularly reviewed and adjusted as our work programme progresses. This may involve responding to significant changes in our strategic environment. For example, a deployment in response to an event overseas, which cannot be predicted, will affect how we prioritise our resources and effort. Having this flexibility with our priorities means we can maximise our impact across our strategic outcomes while delivering to the Government’s priorities.

To ensure that we are progressing our strategic outcomes, we monitor and assess our work programme and organisational health through a range of quantitative performance indicators and qualitative reports. We report against performance indicators and all our key

achievements in our annual report. These insights into the progress we are making to meet our strategic and organisational outcomes help to enable effective performance management.

As we progress the medium- to longer-term work programme in the Defence Capability Plan, performance indicators for these projects will be agreed. These indicators will continue to be a mix of quantitative and qualitative measures to ensure they tell a comprehensive story of our performance. We measure our success across three domains:

- 1 how our advice contributes to outcomes for all New Zealanders
- 2 how we operate as an agency and how we support our people to be successful
- 3 how effective we have been in delivering.

OUR ‘HOW’

The foundation that enables the Ministry: our people, our resources and our core work priorities.



OUR ‘WHY’

The objectives and priorities that we want to progress and deliver against our Defence strategic policy and the Ministry’s strategic intentions

OUR ‘WHAT’

The policy initiatives we are committed to delivering.

SECTION THREE | WĀHANGA TUATORU

How we operate as an organisation

Ā mātou mahi hei rōpū

STEWARDING THE MINISTRY

The Ministry's vision focuses on continuing to be a credible defence partner.

The Ministry comprises around 200 staff, with an operating budget of approximately \$25 million, with over 75% of departmental costs relating to personnel. We are funded through Vote Defence, and work through a departmental appropriation as well as an operating Crown capital appropriation on behalf of the Minister of Defence for our work procuring major military equipment.

The Ministry is currently managing about \$5.9 billion in major capability projects in late stages of delivery, including for the P-8A Poseidon aircraft and associated infrastructure, the five new C-130J Hercules aircraft arriving this year, and a programme of upgrades to extend the life of the two Anzac frigates. The capital allocation for these projects appears in both Vote Defence Force and Vote Defence.

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

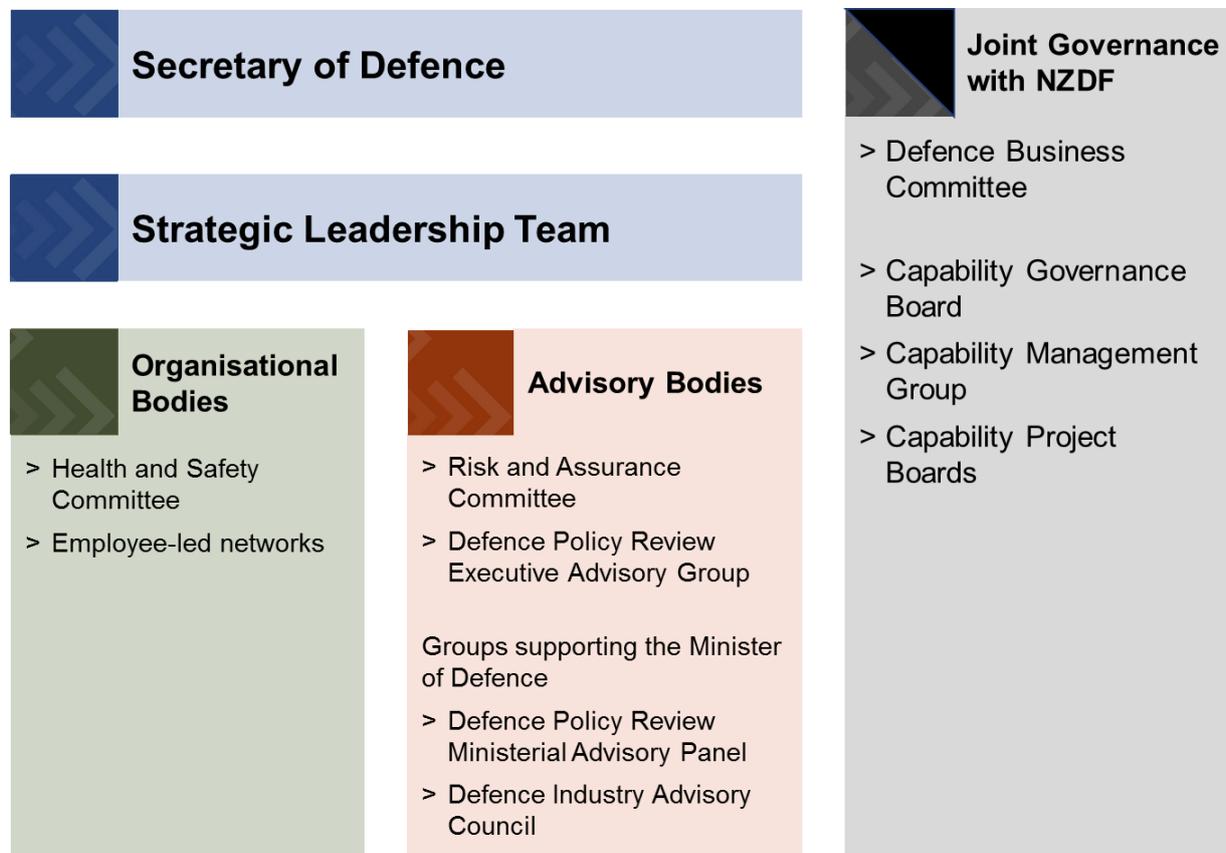
In line with the Government's priority of fiscal sustainability and consolidation we will look at ways to drive efficiencies. To deliver on our vision, meet our targets, and support our staff we will regularly review our work programmes and projects.

As we implement our strategic intentions we will continue to refine our organisational planning and strategic reporting and enhance our performance measures. This means we will be able to continue to improve how we monitor and report on our work, as well as continuing to ensure what we deliver represents efficient and effective use of public funds.



LEADING AND GOVERNING THE MINISTRY

Defence governance enables and supports our Strategic Leadership Team to fulfil its responsibilities and ensure we remain effective and accountable in delivering on our purpose and strategic objectives.



ORGANISATIONAL BODIES

Our Strategic Leadership Team

The Ministry's Strategic Leadership Team is the primary body for responsible organisational governance and management. The membership comprises our Chief Executive and Secretary of Defence; Deputy Secretary Capability Delivery; Deputy Secretary Governance, People and Executive Services; Deputy Secretary Policy and Planning; Deputy Secretary Strategy Management and Assessment; Chief Financial Officer; Chief People Advisor; and Assistant Secretary Capability Delivery. The Strategic Leadership Team focuses on efficiently and effectively delivering on the Government's priorities, responsibly managing fiscal performance, and ensuring our people are healthy and safe.

Health and Safety Committee

The Ministry's Health and Safety Committee brings staff and managers together to consider health and safety matters; identify risks and hazards and actions to address them; and promote the level of awareness of health and safety in the Ministry.

Employee-led networks

The Ministry supports a number of employee-led networks. These contribute to the attraction and retention of diverse workforce talent. The networks support engagement, productivity and innovation. They also support professional development and give visibility of emerging talent and future leaders.

JOINT GOVERNANCE WITH NZDF

Defence Business Committee

This body ensures the Ministry and NZDF operate to achieve government priorities as they relate to Defence, in a manner that is complementary and coherent. It is co-chaired by the Secretary of Defence and Chief of Defence Force, and is made up of other senior executives from the Defence agencies, as well as an independent external member.

Capability Governance Board

The highest-level governance body across the joint Capability Management System, focused on strategic investment, capability portfolio decision-making and risk management. This board is co-chaired by the Secretary of Defence and the Chief of Defence Force, to meet their respective and joint accountabilities and leadership responsibilities across the Defence Capability Lifecycle. Independent advice to the Capability Governance Board is provided by two external members.

Capability Management Group

The management group that provides assurance to the Capability Governance Board that the portfolio of in-flight investments is being effectively delivered in accordance with the practices set out in the Capability Management Framework. This group is co-chaired by the Vice Chief of Defence Force and Deputy Secretary Policy and Planning, and provides a forum to develop advice to the Capability Governance Board based on a common understanding, and alignment of delegated management responsibilities across Defence.

Capability Project Boards

Provide assurance to the Capability Governance Board that capability projects are being delivered effectively and efficiently, and will realise the benefits sought, in accordance with the Capability Management Framework. Capability project boards are co-chaired by two

Senior Responsible Owners, one each from Ministry and NZDF.

Capability project boards governing major projects include an external member, who is an advisory member appointed to strengthen the board through their expertise and experience in the governance of relevant complex and large scale projects. They provide additional assurance, subject matter expertise and diversity of thinking and challenge within the board. The external member is a fully participating member but does not have any individual decision-making authority

ADVISORY BODIES

Advisory bodies provide independent advice with external members appointed by the Secretary, or jointly by the Secretary and Chief of Defence Force, to challenge ideas, provide independent perspectives, and expertise. The contribution of these governance bodies is advisory to support the statutory responsibilities and accountabilities of the Chief Executives.

Risk and Assurance Committee

The Risk and Assurance Committee is an independent committee that reports directly to the Secretary of Defence. It provides independent advice and alternative perspectives on strategic and organisational risk to the Ministry. It comprises two/three independent members, one of whom is the Chair.

Defence Policy Review Executive Advisory Group

The Executive Advisory Group has been established to support delivery of the Defence Policy Review. It provides high level advice and direction to the Secretary of Defence and Chief of Defence Force on the Review, including perspectives from each organisation on the application and effectiveness of the Review, and connections to the wider security sector. It includes executives from across the security sector and central agencies, and an

independent member. The co-chairs of the group are the Deputy Secretary Policy and Planning and NZDF's Vice Chief of Defence Force.

Groups that support the Minister of Defence

The Ministry supports several advisory groups that provide advice directly to the Minister of Defence on Defence-related matters.

Defence Policy Review Ministerial Advisory Panel

In 2022, the Minister of Defence appointed a Ministerial Advisory Panel to support work on the Defence Policy Review. This Panel

provides the Minister with advice, separate from Defence officials, on any matters related to the Review and its policy products. It provides perspectives from a range of different backgrounds, with the intention of challenging, critiquing and reviewing the Review products. This is to ensure the products of the review are sound, viable and well-considered.

Defence Industry Advisory Council

The Council is appointed by the Minister of Defence and provides advice relating to developments, issues and opportunities in the national and international defence industry sectors. The Council also administers the annual Minister of Defence Awards of Excellence to Industry.

OUR VALUES

The Ministry's spirit and character forms the bedrock of every decision we make, how we treat each other, our stakeholders, clients and suppliers.



Influential Kia whai mana

Our work shapes the agenda and our advice is persuasive.



Dynamic Kia hihiri

We see where change will improve results, we self-start it, and we see it through.



Collaborative Kia mahi tahi

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



Pragmatic Kia whai kiko

We find a way; we are practical, resourceful, and hard-nosed.



Courageous Kia kaha

We do the right thing, even when that is personally and professionally hard.



Professional Kia ngaio

People know us for our integrity, skills and attitude.

INVESTING IN OUR PEOPLE AND ENSURING THE RIGHT PEOPLE CAPABILITIES

Our people are what makes the Ministry successful. We are at our best when we understand, plan for, and foster the capabilities, cultures, and capacity of our people to do the work we need to do. We continue to maintain an awareness of the context in which we operate – one of increasing global complexity and disruption caused by social, demographic, technology, economic, political, environmental and security change.

Our people are policy makers, project specialists, analysts, international relations experts, and expert advisors on defence matters. More than half our staff are project management professionals who lead on multi-million dollar projects to acquire military capability for the NZDF.

The Ministry's *Te Rautaki Tangata ā Mātou | Our People Strategy (2022-2024)* articulates the Ministry's priorities for growing our people and organisational capability to collectively deliver on the Ministry's vision.

The Ministry's kaupapa is:

- 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.

The People Strategy's focus areas are:

- Diversity and Inclusion
- Wellbeing
- Leadership
- Public Service Pay Gaps Action Plan.

PEOPLE CAPABILITIES



Technical capability

The Ministry is organised around its civilian advice and military capability delivery roles. We regularly identify the capabilities we need to deliver our work to the highest possible standard. Project management, commercial acumen (especially procurement), policy and data analysts, international relations experts, and technical specialists in our corporate areas are the core capabilities we need. We look for people who are responsive and adaptable. We will continue to build our leaders' workforce-planning capabilities through business planning and forecasting, talent management, and recruitment planning conversations.



Leadership capability

Leaders are critical to the Ministry. They set work and manage work plans, they recruit, develop and support the people in their teams. They model our spirit and character and behaviours by being influential, collaborative, courageous, dynamic, pragmatic and professional.

They manage their teams to deliver complex projects and policies. We will support our leaders to build and practise these capabilities by ensuring they have on-the-job support and learning and development opportunities. We especially encourage our leaders to learn together through our ongoing Mana Whakatipu (leadership development) programme. Our commitment to support our leaders benefits all our people and helps everyone successfully contribute to the Ministry's strategy.



Partnering capability

We work together and in partnership. We are collaborative. Our key external partnership is with our colleagues in the NZDF. We build credible, trusted relationships to understand what is going on, to develop plans, problem solve, implement practical solutions and deliver things together.

LEVERAGING TECHNOLOGY AND A DIGITAL FUTURE

The Ministry receives property services from the NZDF, who are the primary tenant of Defence House in Wellington. The Ministry also receives communications, ICT, and some security services from the NZDF. This enables the Ministry to leverage economics of scale and support collaboration in developing advice on defence policy and deployments, and the delivery of military capability.

CULTURAL CAPABILITY

We will continue to build our cultural capability to support the Crown in its relationships with Māori under Te Tiriti o Waitangi. We will continue to provide a range of cultural development opportunities for our people and leaders, including te reo Māori training and te ao Māori knowledge building.

The Ministry utilises a range of all-of-government tools provided by the government's functional leads, including the use of the common web platform for the Ministry's website, the Government Electronic Tender Service, and benefits from all-of-government procurement contracts. This ensures we can, as a small Ministry of around 200 people, leverage technology and digital advances in our work.



