



Headquarters
New Zealand Defence Force
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NEW ZEALAND

04 Jun 21

See distribution

CDF DIRECTIVE 04/21

CHIEF OF DEFENCE FORCE ANNUAL PLAN

References:

- A. Strategic Defence Policy Statement 2018
- B. NZDF Strategic Plan 2020-2025 (Plan25)
- C. NZDF Output Plan 2020/21 dated 22 Sep 20
- D. Advancing Pacific Partnerships: A Framework for Defence's Approach to the Pacific 2019
- E. FRAGO 006 to CDF Op Directive 18/20 Op PROTECT
- F. CDF Directive 15/2020 – Defence Baseline Review – NZDF Rebalancing Programme dated 12 May 20
- G. CDF Directive 22/2020 Civilian Workforce Cap dated 28 May 20
- H. Ministry of Defence Independent Review into NZDF progress against its OP RESPECT Action Plan dated 28 May 20
- I. CDF Directive 38/2020 – NZDF Support to DA20 and DWP 22 dated 24 Aug 20
- J. Defence White Paper 2016
- K. Defence Capability Plan 2019
- L. Strategic Risk Appetite Framework

Authority

- 1. Issued by the Chief of Defence Force.

Applicability

- 2. This Directive constitutes a general order to members of the Armed Forces and instructions to the Civil Staff and other persons employed for Defence Force purposes.
- 3. This Directive applies to all members of the NZDF who have responsibilities for planning and managing resources to deliver on policy expectations and outputs.
- 4. Non-compliance with this Directive may result in disciplinary action being taken in accordance with the *Armed Forces Discipline Act 1971* or may result in possible sanctions in accordance with the Civil Staff Code of Conduct.

Context

5. This document provides the priorities for command and management of the NZDF in order to direct, guide, and align all operational and enabling supporting activities necessary for delivery of Government policy objectives, and of NZDF Plan25 (refs A and B). This plan should be read in conjunction with the NZDF Output Plan (ref C).

Purpose

6. The purpose of this Directive is to:
 - a. set direction for the NZDF through to the end of FY 21/22;
 - b. set responsibilities and accountabilities; and
 - c. set priorities for the NZDF's activities through to the end of FY 21/22.

Situation

7. The NZDF cannot meet the current agreed level of defence outputs. In order to clearly outline the priorities for the NZDF, and the level of effort for each, this Directive states the expected delivery outcomes. OP PROTECT is NZDF's major 'deployment' for FY 21/22. The NZDF's commitment to OP PROTECT, and the impacts of the COVID-19 pandemic on logistic supply channels and international training, have resulted in reduced readiness and delayed release of capability. Allocation of resources to activities is to reflect the NZDF's continued commitment to OP PROTECT, the impacts of operating during a pandemic and the resultant reduced levels of defence outputs. Any variations to the NZDF Output Plan FY 21/22 will be endorsed by the Outputs Committee in May 21 and approved by CDF NLT 30 Jun 21.
8. The challenges experienced in FY 20/21 will continue in FY 21/22. The NZDF must remain prepared to respond to events within agreed response times, and organisational resilience will be particularly important for managing unforeseen disruptions. The NZDF cannot do everything in the current circumstances, hence commanders at all levels need to prioritise and actively reduce activity that does not contribute to our priorities.
9. The NZDF workforce and their families remain our most valued asset. The NZDF must operate in a way that continues to attract and retain good people.

Execution

10. The NZDF must deliver operations and generate capabilities, balanced with sustaining readiness, and positioning for the future. Prioritisation will be essential to achieve balance.
11. Response for domestic standing commitments under Output 4.3 (OP PROTECT foremost) remains NZDF's number one priority. Key elements to be available for tasking are contained within ref D (including subsequent updates).
12. Readiness for regional operations under Output 5.2 is to be in accordance with ref C (including subsequent updates), with priority being given to HADR tasks. Current mandated missions under Output 5.1 will remain at current levels of readiness.

13. Planning currently assumes up to 1,200 NZDF personnel involved in supporting the response to COVID-19. As a result of this ongoing commitment, our ability to maintain operational readiness is reduced as defined in the NZDF Output Plan FY 21/22. Where output delivery is reduced to fall further below directed levels, the impact (both in-year and out-years) is to be reported without delay. Any impacts on the achievement of Plan25 are also to be identified, including implications and options advised.
14. Activity led plans and budgets are to reflect OP PROTECT commitments and adjusted readiness settings. Careful planning will be needed to build achievable plans within tolerable risk levels. It remains imperative that NZDF continues to manage within approved operating and capital appropriation limits. CDF will exercise discretion to move funding to ensure critical risks and interdependencies are managed.
15. Budgets for Services and HQNZDF will continue to be updated based on decisions made by the Executive Committee, including through delegations to the Organisation Committee. In particular, single Services and Portfolios are to ensure that personnel numbers remain within approved targets. Planned activity levels are to be tailored to resources allocated and the updated readiness requirements in the NZDF Output Plan FY 21/22.
16. The NZDF's key priority in FY 21/22 is **support to the ongoing AoG COVID-19 response (via OP PROTECT)**. Commanders and managers are to:
 - a. staff OP PROTECT;
 - b. protect the Force; and
 - c. sustain the Force.
17. The focus for FY 21/22 includes **four subordinate priorities to sustain and prepare the NZDF for the future**. Where there are capacity limitations, options to reduce or extend other activities must be taken.
18. These subordinate priorities are as follows:
 - a. **Delivery of reduced Defence Outputs including:**
 - (1) delivery of agreed variations and known reduced Joint and Collective training activities;
 - (2) managing COVID-19 impacts to readiness and force regeneration for output delivery; and
 - (3) delivering NZDF's part of the Government's Pacific Reset Plan (ref D), through the HQJFNZ Pacific Campaign Plan and the Defence International Engagement Plan.
 - b. **Retain a skilled, sustainable and diverse workforce to deliver Defence Outputs.** This includes more emphasis on:
 - (1) delivering the Workforce Strategy and associated workforce plan to enable the future force outcomes;
 - (2) developing individual skills and knowledge through high quality training courses, training schools, and on the job experience; and

- (3) enabling personnel competence via professional military development (PMD) and professional military education (PME).
- c. **Introduction into service of capabilities to sustain Defence Outputs, by:**
 - (1) prioritising the current operational demands on the Workforce against demands on providing people for new capability introduction; and
 - (2) prioritising the implementation of the Defence Estate Regeneration Programme to fit the funding limits.
- d. **Uplift information and IT capability, where resources¹ allow, including:**
 - (1) introducing modern, flexible systems to deliver Plan25 objectives as resources allow; and
 - (2) enabling the CIS Change Transformation Programme to establish an integrated information environment.

Responsibilities and Accountabilities

19. Chiefs of Service and Heads of Portfolios are to:

- a. contribute to the NZDF COVID-19 response; and
- b. develop and implement (or update) their respective Service and Portfolio plans, command directives and other orders in accordance with this Directive and existing planning guidance (refs C, D, and E).

20. Vice Chief of Defence Force is to:

- a. lead the development of the NZDF Output Plan FY 21/22;
- b. finalise the First Principles Review of the Defence Estate Footprint and continue to regenerate the Defence Estate in accordance with the Defence Estate Regeneration Programme, through the Defence Estate & Infrastructure Alliance;
- c. develop an overarching enterprise view of information and communications capability and progress the development of the Information Domain and its capabilities IAW ref F (Rebalancing Programme); and
- d. with MoD, as appropriate, lead the prioritisation of any new capability initiatives to be submitted for Budget 22.

21. Commander Joint Forces New Zealand Headquarters is to:

- a. lead the NZDF operational COVID-19 response in support of the AoG efforts;
- b. protect deployed forces from COVID-19, and maintain designated operational outputs;

¹ Resources: Modelling approved by CGB for the Defence Capability Plan 2019 will affect resources allocated to deliver against Plan25 Horizon 2 endstate, NZDF Annual Plan Horizon 2 FY 21/22 (Link only).

- c. advise CDF of any operational issues and risks, which may impact the ability to maintain states of readiness or deliver outputs within the designated response times or notices to move;
 - d. develop plans for regeneration of NZDF readiness in preparation for reduction or cessation of OP PROTECT activities and report the NZDF regeneration plan to the Outputs Committee for approval in Dec 21;
 - e. manage the FY 21/22 and out years of the Master Activity Schedule to reflect the ongoing support to OP PROTECT and build force preparation and integration to support the conduct of a Force Regeneration Validation and Joint Readiness Exercise in 2024; and
 - f. execute the HQJFNZ Pacific Campaign Plan.
22. **Chief of Navy** is to:
- a. recommend to VCDF any variations to the NZDF Output Plan FY 21/22;
 - b. generate maritime outputs IAW reduced levels in the NZDF Output Plan FY 21/22;
 - c. prepare for transition to new or upgraded capabilities; and
 - d. by Dec 21, develop force regeneration plans and costs associated with post OP PROTECT commitments for consideration for Budget 22 and beyond.
23. **Chief of Army** is to:
- a. recommend to VCDF any variations to the NZDF Output Plan FY 21/22;
 - b. generate land outputs IAW reduced levels in the NZDF Output Plan FY 21/22;
 - c. prepare for transition to new or upgraded capabilities; and
 - d. by Dec 21, develop force regeneration plans and costs associated with post OP PROTECT commitments for consideration for Budget 22 and beyond.
24. **Chief of Air Force** is to:
- a. recommend to VCDF any variations to the NZDF Output Plan FY 21/22;
 - b. generate air outputs IAW reduced levels in the NZDF Output Plan FY 21/22;
 - c. prepare for transition to new or upgraded capabilities; and
 - d. by Dec 21, develop force regeneration plans and costs associated with post OP PROTECT commitments for consideration for Budget 22 and beyond.
25. **Chief People Officer** is to:
- a. continue the review and organisation of the NZDF workforce, and align personnel requirements with Defence outputs (Rebalancing Programme) and ref G (Civilian Workforce Cap), including any actions directed by Cabinet in response to the Workforce Delivery Strategy;
 - b. develop and implement guidelines for the engagement of contractors and consultants to ensure that such resources are used and managed appropriately and effectively, to deliver the right outcomes for NZDF and provide a sound return on the investment;

- c. support Services/Portfolios in costing of any new pressures for personnel and remuneration;
 - d. identify, and report, any cost pressures for personnel and remuneration impacting within FY 22/23;
 - e. implement the recommendations arising from the OP RESPECT review (ref H), reporting on progress NLT 1 Dec 21;
 - f. implement the chosen technology solution for career and talent management (Horizon);
 - g. implement "Totara", the chosen technology solution for technology-enabled learning; and
 - h. deliver within resources allocated, the Plan25 initiatives aligned to the People Capability Portfolio, including:
 - (1) harm minimisation framework;
 - (2) meeting recruiting demand set by services;
 - (3) diversity and inclusion initiative; and
 - (4) implementation of the Veterans' Support System, including all interfaces with relevant NZDF systems.
26. **Chief Joint Defence Services** is to:
- a. implement initiatives to improve contract management, including a review and provision of recommendations, with respect to the resilience of strategic partner, supply chain, and contractor arrangements IAW intent of ref F (Rebalancing Programme);
 - b. implement improvements to the planning, monitoring and management of the NZDF's Maintenance, Repair and Overhaul environment IAW intent of ref F (Rebalancing Programme);
 - c. direct the implementation of travel policy, practices and process effectiveness without undue impact on outputs IAW intent of ref F (Rebalancing Programme); and
 - d. deliver the Plan25 initiatives aligned to Chief Joint Defence Services (includes CIS Transformation Programme, Consolidated Logistics Programme, and Security Capability Programme) within resources allocated.
27. **Chief Financial Officer** is to:
- a. lead the identification of any OPEX, depreciation and capital charge cost pressures to be submitted for Budget 22;
 - b. support the costing of any new organisational initiatives to be submitted for Budget 22;
 - c. with the Ministry of Defence, support The Treasury to identify mechanisms for minimising the impact of foreign exchange and fuel price volatility on capital and operating expenditure prior to Budget 21 and 22 (Rebalancing Programme); and

- d. with the Ministry of Defence, support The Treasury to identify system settings for the management of defence capital funding prior to Budget 22 with the objective of improving long-term sustainability (Rebalancing Programme).

28. **Chief Defence Strategy and Management** is to:

- a. provide advice to VCDF to develop the NZDF Output Plan FY 21/22;
- b. coordinate and advise VCDF on the implementation of the NZDF's Rebalancing Programme;
- c. coordinate the NZDF's support to the MoD-led Defence Assessment and support preparation for a potential Defence White Paper (ref I);
- d. lead the development of pan-NZDF 4-year strategic planning guidance, including prioritisation of organisational initiatives for Plan25, and annual Budgets;
- e. ensure that statutory and Ministerial external performance reporting is updated to reflect impacts of COVID-19 on outputs;
- f. update Plan25 to reflect changes to strategic initiatives and other priorities;
- g. coordinate the NZDF Climate Change and Carbon Neutral Government Programme response, including programme planning and the introduction of new measurement and reporting mechanisms from Jul 21; and
- h. in collaboration with CFO, manage the planning and input phase to the Budget 21 and 22 process, including prioritising cost pressures and budget initiatives within the four-year planning horizon.

Coordination

29. **Policy.** All planning is to be based on extant Defence policy (refs A, J, and K). The NZDF will support the Ministry of Defence in undertaking the Defence Assessment and preparing for a potential subsequent Defence White Paper, as directed at ref I.
30. **Output Delivery.** The core NZDF output task is readiness to provide response options for Government. This includes managing key risks to output delivery. Current generation is directed at refs C and E (including subsequent updates) and planning guidance for delivering of Outputs is provided at annex B. This planning guidance will also provide a foundation for development of FY 22/23 NZDF Output Plan. The current level of outputs readiness will be adjusted in light of the NZDF's ongoing commitment to OP PROTECT. Formal variations to the NZDF Output Plan will be promulgated in the NZDF Output Plan FY 21/22.
31. **Strategy25 (Plan25).** All strategic planning will continue to be linked to Plan25 and our three strategic goals of Joint Operational Excellence, Operational Domain Mastery, and Organisational Excellence. The focus for FY 21/22 is the introduction into service of new and upgraded military capabilities and the establishment of stronger operational and organisational frameworks that will enable realisation of the benefits of major capability investments.
32. Strategic initiatives are to be progressed where possible in accordance with the 21/22 year of Horizon 2 in Plan25, subject to the impacts of COVID-19 and resources allocated. The Plan25 roadmap is a living document that will be updated bi-annually

following the outcomes of prioritisation of strategic initiatives and guidance set by the Executive Committee.

33. The medium term strategic plan (Plan25) at ref B outlines NZDF's strategic change objectives to 2025. Plan25 is the primary basis for consideration and prioritisation of strategic initiatives. An enterprise investment prioritisation process will be held six-monthly to coincide with Baseline Updates.
34. **NZDF Rebalancing Programme.** The Rebalancing Programme, ref F, is the NZDF's programme of work to implement the recommendations of the Feb 20 Baseline Review of Defence Report. The programme has set in place measures that allow for more targeted resource allocation. It will result in organisational management changes across maintenance, repair, overhaul and engineering (MROE), contracting, travel, workforce, ICT, estate and capital funding. These changes are vital to preserving and developing our military capability and ensuring the NZDF is an effective organisation. Specific deliverables identified in the Programme have been allocated to Chiefs of Service and Portfolio Heads. The Rebalancing Programme work streams will continue under allocated Portfolio sponsors. Portfolios leading Rebalancing Programme tasks will be asked to report progress six-monthly to the Organisation Committee.
35. **Risks (Strategic, Operational, Business, Reputational).** All personnel need to be aware of the risks inherent in their day-to-day work processes and be able to balance risks related to the pursuit of opportunities. Risk management is to be at the core of good management within the NZDF. This includes identifying issues that could stop us achieving our objectives, and acting to reduce their likelihood, or mitigating their impact should they occur.
36. Strategic risks are to be managed in accordance with the intent of the NZDF Strategic Risk Appetite Framework at ref L.
37. **Reporting.** The NZDF's operational and organisational performance is to be reported to the Executive Committee quarterly, including Veterans' Affairs.

Cancellation and disposal instructions

38. This Directive is cancelled with effect 30 Jun 22.



KR SHORT
Air Marshal
Chief of Defence Force

Annex

- A. Planning Guidance for Delivering of Outputs

Distribution

VCDF

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