

Operation NEPTUNE

Single Stage Business Case - Refreshed

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Better Business Cases

Single Stage Light Business Case Template

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Purpose

In September 2014, the Chief of Navy gave Approval in Principle to a Business Case for the investment of up to \$2,165,000 in the years 2015-17 in a programme of events and activities to be known collectively as Operation NEPTUNE, the purpose of which is to:

strengthen relationships between the Royal New Zealand Navy and partner nation navies and maritime security forces;

improve the retention of trained naval people through a programme of activities that strengthen pride in our Service's past achievements and future potential; and,

improve recruitment so that the Service continues to attract people with the necessary attributes and potential; and,

enhance the reputation of the Royal New Zealand Navy amongst the people of New Zealand to support the retention and recruitment aims described above.

Since Approval in Principle was given, additional opportunities have come to light and costs have been uncovered in greater detail. It is necessary to establish that investment in Operation NEPTUNE is still valid in the light of organisational strategic aims (which have changed since the original Business Case was presented), current NZDF investment plans and new cost information, and that proposed investment in emerging opportunities is consistent with overall NEPTUNE priorities. For these reasons, this document refreshes the original Business Case logic and subjects proposed new investments to the same prioritisation process (Multi Criteria Decision Analysis) that was employed to develop the original Business Case.

The Refreshed Business Case is a stand alone document. Like the original Business Case, it follows the Treasury Better Business Cases guidance and is organised around the five case model.

Strategic Case

Strategic Context

The Royal New Zealand Navy (RNZN) mission is “Defend New Zealand’s Interests at Sea”. The NZDF vision is “Joint Operational Excellence”. Navy will contribute to this vision by achieving the following strategic goals:

- Strategic Goal One: Operational Focus
- Strategic Goal Two: Workforce Excellence
- Strategic Goal Three: Organisational Agility

Strategic Goal One – Operational Focus. The RNZN exists to conduct naval warfare across the spectrum of operations. Strategic Goal One requires that the value of everything the Navy does be measured in terms of how well it contributes to operational capability. The strategic context in which the proposed investment in Operation NEPTUNE comes into play is as follows:

Relationships. Effective relationships with potential partners in maritime security and peace support operations are critical to the operational effectiveness of the RNZN. Operation NEPTUNE contributes to Strategic Goal One by enhancing relationships with navies from around the Asia-Pacific operation who will attend the International Naval Review (INR), all of whom are potential partners on some level.

Recruiting. High calibre people are the most important element of operational capability. Operation NEPTUNE supports Strategic Goal One by enhancing efforts to ensure that such people are attracted to a career in the RNZN.

Retention. RNZN investment in people and leadership must be protected by strategies to maximise the retention of trained, committed, values driven people, which as indicated above is the most important element of operational capability. Operation NEPTUNE supports retention, and thus Strategic Goal One, by highlighting to our people the non-material rewards offered by a career in the Service, helping to offset the attraction of the higher material rewards accessible in civilian life.

Reputation. Recruiting and retention goals must be underpinned by a solid reputational foundation, whereby potential recruits and our own people understand that naval service is valued by the community at large because it is understood that what we do is vital to our country's security and prosperity. Our reputation is also dependent on an understanding that our values are consistent with societal expectations.

Strategic Goal Two – Workforce Excellence.

Attainment of Strategic Goal One – Operational Focus – requires that the RNZN have sufficient numbers of well trained, qualified and experienced people to ensure that the benefits of enhanced capabilities are realised. Strategic Goal Two is defined in terms of qualifications, skills, experience, and people resource management that limits turbulence and reconciles personal and professional aspirations with service needs to the maximum extent practicable. The recruiting, retention and reputational aims of Operation NEPTUNE support attainment of Strategic Goal Two in the same way that they support Strategic Goal One, as defined above.

Strategic Goal Three – Organisational Agility

Attainment of Strategic Goal Three – Organisational Agility – will provide the RNZN with the flexibility and adaptability to adjust to rapidly changing circumstances, directing resources to areas of greatest need as circumstances and priorities evolve. By enhancing relationships, Operation NEPTUNE will provide the RNZN with the wherewithal to achieve organisational agility. Strong relationships with other maritime security forces enable benchmarking which provides both the impetus for change, such as the adoption of new tactics, techniques and procedures, or new technologies and doctrines, and a means of assessing how well the change has been implemented. An organisation cannot be agile without change stimuli, and the value of change cannot be assessed without benchmarking.

The resource which most facilitates organisation agility is people. Without sufficient values driven people with the necessary skills and experience, organisational agility will be unattainable. By contributing to recruiting and retention, Operation NEPTUNE thus contributes to organisational agility.

The Need for Investment

Having considered the strategic context, there is a need to consider the key drivers for investment; whether there is evidence to confirm the root causes and effects of the problems the investment is intended to address; if the investment is a good idea; and whether there is strong evidence of support from RNZN, NZDF and political leadership and other key stakeholders. These points are addressed below.

Key Drivers

For this investment, the key drivers are as follows:

Reputation. Reputation is a critical driver for investment in Operation NEPTUNE because of the need to secure an adequate supply of our most critical resource – people. Success in attaining recruiting targets is not wholly dependent on the extent to which the attractions of a naval career can be made to appeal directly to the recruiting demographic. Young people considering career options are influenced by the way in which a potential choice is viewed by the wider community, in particular their key influencers, such as parents, teachers, and their peers. If we are to attain our recruiting targets, the community at large must understand what we do and how this contributes to a secure and prosperous society.

Relationships. Effectiveness in multi-lateral operations is a function of tactical proficiency and doctrinal, tactical, and technical interoperability, attainment of which for a small navy like the RNZN is not possible without the support of larger navies. This can be (and is) purchased or bargained for, but it is much more readily attained when relationships with partners whose support we seek are underpinned by mutual understanding and goodwill. The need for strong relationships is a key driver for investment in Operation NEPTUNE.

Retention. The strength of our navy derives from the courage, commitment and comradeship of our people. Our core values enable us to perform our missions in the face of adversity and to exploit the full capabilities of our ships, aircraft and equipment. Our viability as a navy depends on retaining people who live these core values. Remuneration and conditions of service are important elements of retention, but our people also need a strong sense that their commitment is acknowledged and valued – naval service makes demands on men, women and their families that can never be fully offset by material rewards. Providing our people with this sense is a strong element of naval leadership, but opportunities to periodically and overtly reinforce it need to be identified and exploited. The need to maximise retention by highlighting the value we place on our people is a key driver for investment in Operation NEPTUNE.

Recruitment. Quality people are never easy to recruit. This applies equally to school leavers and to lateral recruits. The Navy must compete for the attention of its recruit demographic with an array of competitors, most of whom offer higher material awards for much less personal sacrifice. One of the main challenges in attracting the attention of the school leaver pool is that many have only a vague notion of what the Navy is and what it does, popular culture providing a mass of distorted impressions which need to be overcome. With lateral recruits, including former naval officers and ratings that we wish to re-enlist, the challenge is to overcome the appeal of the material rewards that industry in New Zealand and overseas can offer.

Our recruiters and our reputation management staff do superb work in taking the navy to the country and engaging the recruit pool. However, this must be supported by wider engagement which highlights the non-material advantages that the navy offers in comparison

to industry – recent research indicates that “serving a cause” is much more important to young people than has hitherto been realised.

There is also a need to bring naval career options to the attention of ethnic groups that are under-represented in the RNZN.¹ A programme of activities that bring the Navy to the attention of a wide cross section of the community will support this engagement. The need to boost recruiting messages wherever possible is a key driver for investment in Operation NEPTUNE.

Evidence

Reputation. A TNS Survey of public perceptions of the NZDF conducted in January 2014 indicates that the Defence Force and Armed Services reputation ratings remain high. Confidence in the NZDF and in the Services is also high. Our “brand attributes” are generally positive, especially in terms of the training provided to our people and in a prevalent view that our people are disciplined and do a good job for New Zealand. However, the survey also indicated that most New Zealanders have a general idea but not a detailed knowledge of the NZDF and the Services, and that many are uncertain about our capabilities and readiness for combat. Survey ratings were also moderate in relation to the modernity of our equipment and there is a low awareness of the types of vessels that comprise the Navy – two out of three people surveyed were unable to identify a naval vessel type. Those that were able to identify a vessel type most commonly mentioned frigates, suggesting a low level of awareness of the value provided by the Naval Patrol and Support Forces.

The TNS Survey provides evidence that the New Zealand public is generally well disposed towards the NZDF. However, the evidence of uncertainty about our capabilities and readiness for combat suggests that many New Zealanders do not see a direct connection between the missions that we perform and the capabilities with which we are provided (and those which we seek in the future) and for which they pay through taxation.

Relationships. The quality and utility of key relationships cannot be demonstrated by statistical evidence. Nonetheless, relationships matter. For example, attainment of Directed and Operational Levels of Capability for the Naval Combat Force requires access to instrumented weapon ranges and other training assets which are not available in New Zealand. We therefore pay for access to Australian facilities, either directly or in kind. Payment ensures a minimum level of service, but the goodwill of the Australian staffs organising sea training ensures that maximum value is obtained. Goodwill helps ensure that alternatives are available when planning arrangements go awry, and that flexibility is built into exercise programmes to accommodate RNZN units. Almost every experienced officer can give examples where the staffs of other navies have demonstrated considerable flexibility to accommodate our needs, whether training, operational or logistical.

¹ Defence White Paper 2010, Paragraph 6.18

Retention. At the start of the 2012/13 reporting year, annualised regular force attrition was an unsustainable 23%, reducing to a barely sustainable 16% at year's end. Attrition has since fallen to an historical low of 6.7%. However, there remain critical shortages and high attrition rates in certain key branches. Retention is a perennial challenge; historical data indicates that attrition fluctuates over time in ways that are very difficult to predict. However, the current low attrition rates are probably linked to the high satisfaction rating reported in the most recent NZDF surveys, in which 90% of respondents rate their satisfaction with employment in the NZDF as satisfactory, good, or excellent. Although this rating may well be linked to positive changes in remuneration over the period covered by the survey, it may also be assumed that high morale translates to low attrition. Pride in one's Service has a positive bearing on morale, and there is thus evidence to link any enhancement in that pride to increased retention.

Recruitment. The attrition evidence that supports intervention to enhance retention applies equally to recruitment. We currently achieve 97% of our recruitment targets for rating entrants, but only 71% for officers. This varies over time, but supports the contention that we are in a competitive market for quality people and that we must therefore maximise and optimise our recruiting presence.

The Case for Change

The case for change is summarised below for each of the investment objectives.

Investment Objective One	Enhance the <u>reputation</u> of the RNZN
Existing Arrangements	<p>The reputation of the RNZN has been built and is maintained through the effective delivery of our primary outputs and through the confidence that New Zealanders have in our adherence to our core values. The Defence Public Affairs directorate (DPA) is established "...to protect and enhance NZDF reputation so it can maintain effective and sustainable relationships, internally and externally..." The role of the DPA is thus to provide the communications and relationship management support that enable our effectiveness at output delivery and our adherence to our core values to be communicated to stakeholders. This is done through a variety of means that draw attention to the value delivered by our BAU activities.</p> <p>Commanding Officers support reputation management by instilling positive behaviours in their ships' companies and by drawing attention to any incident or event likely to attract media attention, favourable or unfavourable.</p> <p>Special events and activities are periodically held to further support our reputational message. These include DNB Open Days and "ship open to visitors" during port visits. These activities are funded from BAU baselines.</p>
Business Needs	<p>Naval reputation management is handled well by DPA within the constraints of existing resources. However, in contrast to other government agencies, evidence of our effectiveness at output delivery is not immediately available to the public. Opportunities must therefore be sought to periodically boost levels of awareness of the positive ways in which the Navy contributes to NZ society, both through effective output delivery and by generating productive, values driven citizens in the form of our people.</p>

<p>Potential Scope</p>	<p>The objective can be successfully achieved by the execution of a series of events and activities designed to demonstrate our effectiveness at output delivery, our tradition of sacrifice and achievement, and the calibre of our people. At least one of these events must be sufficiently high profile to draw public attention to the overall programme of events. The proposed International Naval Review (INR) to commemorate the 75th Anniversary of the founding of our Navy is therefore a core must have.</p> <p>Our reputational messaging is heavily underpinned by the sacrifices made by our forbears and by our heritage in general. Events that acknowledge and celebrate this heritage, such as the service of commemoration for the loss of HMS NEPTUNE, are also core “must haves”.</p> <p>It is desirable that the core activities should be supported by a programme of lower cost/impact but more accessible events and activities that allow a broad cross section of the community to connect with the Navy and its people.</p> <p>Aspirational activities include engagement via entirely non-traditional means, such as the “Navy Players” theatrical tour, which will reach an audience that might not otherwise engage with Navy or the NZDF.</p> <p>The scale of our activities must be appropriate to the size and capacity of our Service. Activity which attempts to match corresponding events hosted by larger navies is out of scope. Activity which could give an impression of exclusivity, even if unjustified, is also out of scope.</p>
<p>Potential Benefits</p>	<p>If the objective is successfully achieved, the main benefit will derive from New Zealanders’ enhanced understanding of our Navy’s relevance to a prosperous, stable and secure society. This benefit should manifest itself in a continuation (and possibly an enhancement) of the broad support for the NZDF in general that was evident during surveys carried out prior to the publication of Defence White Paper 2010, and could help generate support for the Navy in particular – not, it is emphasised, at the expense of the other services, with whom our complementarity must be illustrated</p> <p>These benefits cannot be monetised. Value for the initial range of investment options was determined during a Multi Criteria Decision Analysis Decision Conference (DC) convened at HQNZDF 29 Jul 14. Value delivered by emergent opportunities was determined against the same criteria at a further DC at Devonport Naval Base 4 Mar 16.</p>
<p>Potential Risks</p>	<p>[section 6(a)]</p>

	[section 6(a)]
Constraints and Dependencies	<ul style="list-style-type: none"> • The quantity and quality of naval output delivery as measured in sea days, completion of assigned operational tasks, and the maintenance of levels of capability must not be compromised by Operation NEPTUNE activity. • Operational and personnel tempo must not exceed accepted limits except where both unavoidable and specifically authorised by CN. Any departures must be kept to an absolute minimum. • Fleet maintenance programmes must not be compromised. • The commercial operation of the Dockyard must not be compromised. • INR invitation acceptance is likely to be contingent on an associated multi-lateral training activity to make deployment to NZ over long distances viable • The INR implies a high minimum threshold of support and hospitality to visiting ships.

Investment Objective Two	Strengthen <u>relationships</u> between the RNZN and partner navies, maritime security forces, and partner government agencies
Existing Arrangements	[section 6(a)]
Business Needs	[section 6(a)]

	[section 6(a)]
Potential Scope	<p>The INR is a core must have. The INR must incorporate hospitality and other forms of support consistent with visiting navies' expectations. This need not be extravagant but it must be comprehensive, and it must showcase our Navy and our country. Administrative and logistical support that enables the INR to proceed without a hitch is a must have.</p> <p>All visiting ships will have lengthy passages to NZ to take part in the INR. It is therefore essential that a multi-lateral exercise of some form be held to warrant the necessary deployments.</p> <p>As indicated above, it is essential that the INR showcase our country to visiting navies. It is also desirable that our visitors gain a clear impression of our multi-cultural society.</p>
Potential Benefits	<p>The INR will enhance relationships with navies attending. Benefit to our Navy will be manifested in traditional partner navies' continued flexibility and willingness to support RNZN efforts to attain operational, doctrinal and technical interoperability, and in greater mutual understanding and goodwill between the RNZN and less/non traditional partner navies. Both these benefits are likely to translate to greater effectiveness in delivering operational outputs. Goodwill with non-traditional partners could also be highly significant during multi-lateral operations during periods of tension.</p> <p>These benefits cannot be monetised. Value for the initial range of investment options was determined during a Multi Criteria Decision Analysis Decision Conference (DC) convened at HQNZDF 29 Jul 14. Value delivered by emergent opportunities was determined against the same criteria at a further DC at Devonport Naval Base 4 Mar 16.</p>
Potential Risks	[section 6(a)]

	[section 6(a)]
Constraints and Dependencies	<ul style="list-style-type: none"> • The quantity and quality of naval output delivery as measured in sea days, completion of assigned operational tasks, and the maintenance of levels of capability must not be compromised. • Operational and personnel tempo must not exceed accepted limits except where both unavoidable and specifically authorised by CN. Any departures must be kept to an absolute minimum. • Fleet maintenance programmes must not be compromised. • The commercial operation of the Dockyard must not be compromised. • INR invitation acceptance is likely to be contingent on an associated multi-lateral training activity to make deployment to NZ over long distances viable • The INR implies a high minimum threshold of support and hospitality to visiting ships.

Investment Objective Three	Improve the <u>retention</u> of trained naval people
Existing Arrangements	<p>The retention of skilled naval people who live our core values is critical to our ability to deliver outputs. Improving retention is a far more cost effective means of achieving personnel targets than increasing recruitment. Every recruit cohort has a training wastage rate significantly higher than the attrition rate amongst trained people; generating one trained person to replace one lost through attrition requires that more than one be recruited and trained, notwithstanding the overall cost of training.</p> <p>Retention objectives are achieved through good leadership at all levels and sound career management, and through remuneration and conditions of service that reflect to the maximum practicable extent the competencies held by our people and the sacrifices they are routinely called upon to make.</p>
Business Needs	<p>At the time of preparing this business case, overall naval attrition was 6.7%. The goal is that overall attrition should be maintained at this rate, at which work force targets can be achieved and sustained while enabling adequate and timely progression through the ranks for people with the attributes and ability to advance. There is also a need to achieve sustainable attrition across all ranks and trades, such that all are equally sustainable.</p>

<p>Potential Scope</p>	<p>The sense of pride and achievement in belonging to our Navy that we know to be a major factor in our ability to retain our people must be periodically enhanced by the celebration of our record of sacrifice and achievement. Marking the 75th Anniversary of our founding with a series of events, including an INR, will provide our people with a sense of recognition and continuity that will positively impact retention.</p> <p>Naval people are highly sensitive to the way in which their Service is perceived by other Navies and our people will wish to see both our Navy and our country showcased to best effect – an INR will be seen as integral to this. If we wish this milestone to be celebrated in a way that has a positive impact on attrition, an INR is a must have.</p> <p>It is essential that the achievements of contemporary naval people and our immediate predecessors be celebrated in conjunction with more historical achievements – a demonstration of continuity with the past is a must have. It is also essential that this celebration be inclusive, recognising that the demographic composition of the navy in terms of ethnic and gender mix has evolved significantly since 1991 when the last INR was held. In particular, it has expanded to include a far higher proportion of women and of people of ethnicities outside the traditional Pakeha and Maori norm.</p> <p>It is desirable that the events which celebrate our Anniversary are diverse and allow our people to participate in ways other than ceremonial events, and that they enable our people to demonstrate that their courage, commitment and comradeship is aligned with that of their predecessors.</p>
<p>Potential Benefits</p>	<p>It is not possible to directly attribute attrition outcomes to the positive or negative impact of Operation NEPTUNE activities on our people. Attrition outcomes are a function of a range of factors, some of which are beyond Navy’s control. In addition, historical attrition data shows random variations. Although we know that high morale reduces attrition, exhaustive attempts to uncover causal links between specific conditions or policies and historical variations have proved fruitless. However, it is possible to quantify the value of a given activity for retention using MCDA. Each proposed Operation NEPTUNE activity has been assessed for retention impact during an MCDA session held at HQNZDF 29 Jul 14. Value delivered by emergent opportunities was determined against the same criteria at a further DC at Devonport Naval Base 4 Mar 16.</p>
<p>Potential Risks</p>	<p>[section 6(a)]</p>

	[section 6(a)]
Constraints and Dependencies	<ul style="list-style-type: none"> • The quantity and quality of naval output delivery as measured in sea days, completion of assigned operational tasks, and the maintenance of levels of capability must not be compromised. • Operational and personnel tempo must not exceed accepted limits except where both unavoidable and specifically authorised by CN. Any departures must be kept to an absolute minimum. • Fleet maintenance programmes must not be compromised. • The commercial operation of the Dockyard must not be compromised. • INR invitation acceptance is likely to be contingent on an associated multi-lateral training activity to make deployment to NZ over long distances viable • The INR implies a high minimum threshold of support and hospitality to visiting ships.
Investment Objective Four	Improve <u>recruitment</u> so that the Service continues to attract people with the necessary attributes and potential
Existing Arrangements	Recruiting activity is undertaken by the Defence Recruiting Organisation, whose strategic directive is to attract sufficient quality applicants to meet the personnel requirements of the NZDF. Achieving both quantity and quality targets is a perennial challenge. Over the past five years, recruiting success rate for rating intakes has averaged 97%, but for junior officers, only 71%. Apparent success in almost achieving rating targets reflects a positive, effective strategy well executed by recruiters, but does not give grounds for complacency in today's competitive market. Officer applicants require higher aptitude test scores and go through a more exacting selection process, but a success rate of only 71% is a cause for concern.
Business Needs	The business gap is the difference between recruiting targets and the actual success rate. The desired future state is that targets should be met.
Potential Scope	Every opportunity must be taken to present the recruitment target demographic with the potential attractions of a naval career. New Zealanders value our tradition of sacrifice and service. By visibly celebrating this by marking the 75 th Anniversary of our founding with a series of high profile public events we can gain the attention of the public and the recruiting target demographic, making the latter receptive to specific recruiting messages.
Potential Benefits	<p>If the objective is successfully achieved, the Navy and the NZDF will benefit through greater success in achieving recruiting targets, particularly for junior officers. A pronounced spike in target attainment post Operation NEPTUNE could reasonably be attributed to success in achieving Operation NEPTUNE objectives. Such a spike in interest in naval careers was experienced by the Australian Defence Force recruiting organisation in the aftermath of the RAN International Fleet Review in October 2013 – enquiries jumped 200% in the two weeks immediately after the Review.</p> <p>Value for the initial range of investment options was determined during a Multi Criteria Decision Analysis Decision Conference (DC) convened at HQNZDF 29</p>

	Jul 14. Value delivered by emergent opportunities was determined against the same criteria at a further DC at Devonport Naval Base 4 Mar 16.
Potential Risks	[section 6(a)]
Constraints and Dependencies	<ul style="list-style-type: none"> • The quantity and quality of naval output delivery as measured in sea days, completion of assigned operational tasks, and the maintenance of levels of capability must not be compromised. • Operational and personnel tempo must not exceed accepted limits except where both unavoidable and specifically authorised by CN. Any departures must be kept to an absolute minimum. • Fleet maintenance programmes must not be compromised. • The commercial operation of the Dockyard must not be compromised.

Economic Case

Process

This document updates the original Business Case submitted in 2014 and is based on the text of that document. The Economic Case in the original Business Case is based on Multi Criteria Decision Analysis (MCDA). For the sake of coherence, the text and diagrams that set out the outcomes of the original Decision Conference have been left wholly intact in the updated Business Case, and a new section added that updates the “efficient frontier” with the outcomes of the Decision Conference held 4 Mar 16, at which emergent investment options were evaluated against the original criteria. A refreshed programme of investment is then proposed.

Critical Success Factors

The Better Business Case guidance recommends that investment options be screened prior to comparison using critical success factors based on crucial criteria. As a starting point, the guidance recommends that options be examined for:

- strategic fit and business needs;

- potential value for money;
- supplier capacity and capability;
- potential affordability; and
- potential achievability.

Applying this screening test enables detailed evaluation to be concentrated on those events and activities most likely to align with strategic needs while delivering value for money and avoiding exposure to unsustainable business and reputational risk. Proposed events and activities have been screened against these critical success factors; a number which failed the strategic alignment, achievability and risk threshold tests have been eliminated. For example, a military tattoo was eliminated from consideration on the grounds of organisational capacity, affordability, and value for money.

Identify Short-listed Options

The Better Business Case guidance recommends that having applied critical success factors as a screening test, “long list” options should be evaluated against the five “dimensions of choice”. This was done to determine which should be taken forward to MCDA.

The Preferred Option

The benefits delivered by investment in Operation NEPTUNE cannot be monetised. Cost Benefit Analyses and Net Present Value comparisons are therefore not applicable to determining the relative value for money delivered by various options. Best practice requires an alternative methodology that allows relative value and thus priorities to be assessed in an objective, contestable way. For Operation NEPTUNE, MCDA is the most suitable process. MCDA has a sound NZDF pedigree having been used since 2007 to prioritise the CP Minor. It was also used in the DMRR process, and in assessing options for the Frigate Systems Upgrade project.

A Decision Conference was held 29 July 2014 to evaluate short listed activities using an MCDA model constructed using the Catalyze Equity software. Decision makers, comprising a mix of levels and functions across the RNZN, scored the options against the agreed criteria and weighted the criteria. The model output was displayed and discussed to complete the Decision Conference.

Events and activities considered are listed at appendix 1. A list of participants is at annex A; prioritisation criteria are listed below:

Benefits

The total benefits the activity will deliver, considering the difference between not making the investment and making it.

Reputation - NZ Taxpayer

The extent to which the investment contributes to the understanding amongst New Zealand taxpayers that the RNZN delivers value for their tax dollar.

This includes taxpayers' understanding that the Navy is a force for good, essential to our national interests; that it contributes to society by producing people with positive values who are strong net contributors to their communities and has a proud historical record of sacrifice and achievement.

Reputation - Opinion Shapers

The extent to which the investment contributes to the reputation of the RNZN with "opinion shapers" in New Zealand.

This includes "opinion shapers" understanding that the Navy has values in step with the contemporary values of society at large, such as being inclusive and valuing diversity, and is an integral facet of New Zealand society that makes a valuable contribution to our Nation's standing and security.

Relationships

The extent to which the investment contributes to the strength and cordiality of the relationships enjoyed between the RNZN and other navies and thus the likelihood that the support we receive from those navies will continue to be underpinned and enhanced by goodwill. [[section 6\(a\)](#)]

Recruiting

The extent to which the investment contributes to recruitment to the RNZN of people of a suitable calibre and who collectively represent a diverse cross-section of the NZ demographic. This includes bringing naval career options to the attention of ethnic groups that are under-represented in the RNZN in accordance with Defence White Paper 2010.

Factors likely to influence this are awareness of past achievements of the RNZN, understanding opportunities for exciting life experiences and career development, the understanding that RNZN is a great place to work with great people, that employs a diverse mix without discrimination, valuing diversity.

Retention

The extent to which the investment contributes to the retention of existing personnel within the RNZN.

Factors likely to influence this include enhanced pride in being part of the RNZN and what it represents, career satisfaction leading to decisions to pursue a full career.

Probability of Success

The likelihood (%) that the investment will deliver the assessed benefits within the timescale envisaged using the resources planned, including: technical risk; partner/ vendor risk; security risk; organisational readiness (i.e. that the organisation is willing, capable and ready to use the option); project complexity; project duration and likelihood of 'scope creep'.

Costs

The total cost of implementing the proposed option at the level of impact described.

Cost \$k

The total direct expenditure needed to produce the stated impact.

Options

Many of the activities were evaluated at a range of levels of funding and output (low, medium and high) – the model was set up so that only one level from a given activity will be selected. Options are detailed at appendix 1.

MCDA Process and Output

MCDA Model. A standard MCDA process was used to analyse the Project NEPTUNE activities and determine the preferred combination of activities. The Equity software tool was used to visualise the MCDA model, capture the scores for each option against the criteria, calculate the preferred options and display the results of the collective decision-making.

The MCDA Model is shown in Figure 1 below.

4	Photo-journalism L	Cultural Event H		Weta Workshops Doco L	INR Hospitality H		Merchandising H			Sports Tournament H	TV Documentary M	
3	Essay Competition L	Cultural Event M	CW Art Exhibition M	Field Gun M	INR Hospitality M	Live Theatre M	Merchandising M	Museum Exhibition M	Solomon Is Visit M	Sports Tournament M	TV Documentary L	Women At Sea M
2	Art Competition L	Cultural Event L	CW Art Exhibition L	Faith service M	INR Hospitality L	Live Theatre L	Merchandising L	Museum Exhibition L	Solomon Is Visit L	Sports Tournament L	TV Documentary BU	Women At Sea L
1	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing
	Competition	Cultural Event	CW Art Exhibition	Other	INR Hospitality	Live Theatre	Merchandising	Museum Exhibition	Solomon Is Visit	Sports Tournament	TV Documentary	Women At Sea
	X I I M	X I I M	X I I M	C I I M	X I I M	X I I M	X I I M	X I I M	X I I M	X I I M	X I I M	X I I M

Figure 1 – Model Structure

MCDA Scoring and Weighting. In the Decision Conference a structured MCDA process was carried out in which each of the options was scored relative to the others against each criterion. Criteria were then weighted.

To determine the scores for each option, the group evaluated the level of benefit each option would deliver for each criterion, relative to the other options. Time constraints meant that for some groups of activities only the top and bottom preference was established by the whole group – so that as many participants as possible would be available to then weight the criteria, and the remaining scoring was done by a smaller group who were able to stay. After establishing the top and bottom preference for each group of activities, the criteria were weighted using a process of ‘swing weighting’ that captured the group’s relative preference for the criteria, considering the relative size of the difference between the options with respect to that criterion.

The decision makers performed much of the scoring and the weighting as a group, facilitated by the facilitator to ensure consistency and rigour.

Assumptions. During the scoring process, the following assumptions were made:

Cultural Event

- Primary audience is the visiting ships personnel.
- Delete ‘Cultural Event’ as powhiri will cover this.

INR Hospitality

- Taxpayers don’t want to fund extravagant celebrations for their own sake.
- This is a critical activity in terms of relationships with visiting navies.

Live Theatre

- Note extra value for live theatre outside Auckland.

Merchandising

- Change from a gift for visiting sailors to:
 - Subsidised merchandise for sale plus.
 - Gift for visiting Commanding Officers.

Output. Following scoring and weighting the group examined outputs from the MCDA Model. The envelope for all the Project NEPTUNE activities being considered is shown below. This green area represents the value-for-money delivered by the combination of all

possible activities and the points on the upper surface of this area show the best combination of options for any defined level of funding – the “efficient frontier”. The figure below shows the envelope and “F” in a green circle on the efficient frontier – this is where the slope of the frontier flattens off, so activities further up the efficient frontier are less efficient in terms of the value delivered by the investment. When presented with the envelope decision conference participants indicated that the efficient frontier represented a sensible combination of activities.

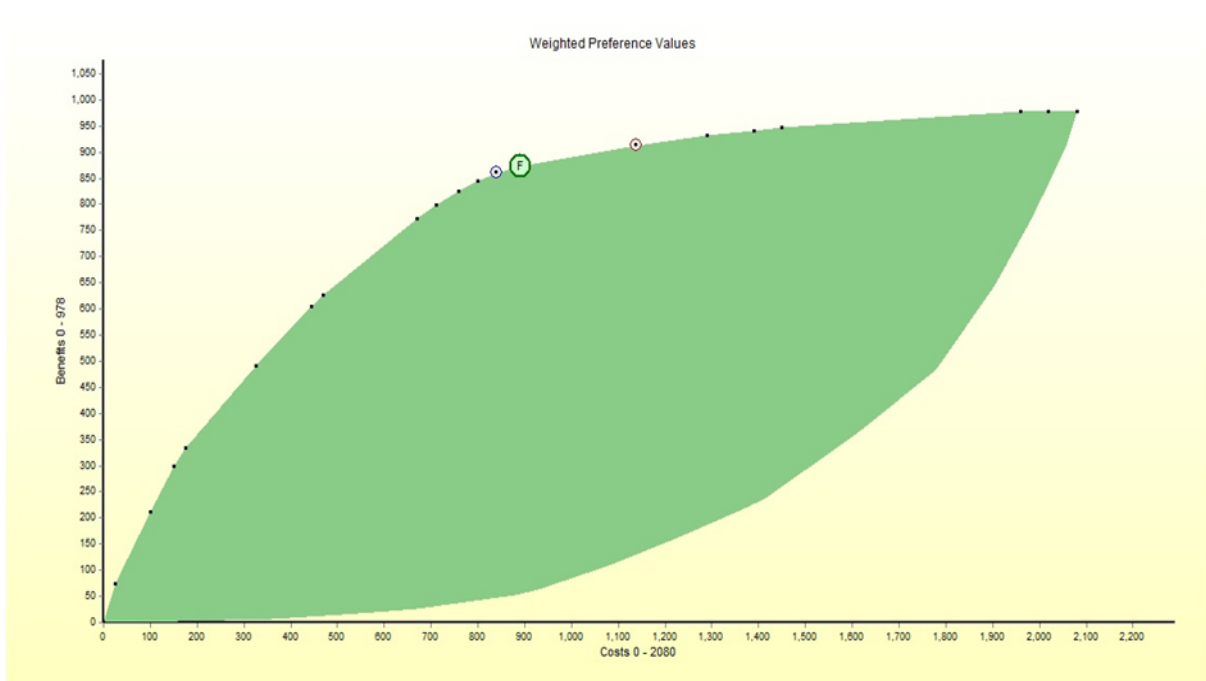


Figure 2 – Model Envelope showing the Efficient Frontier

The model structure in Figure 3 shows the outcome after scoring and weighting, and corresponds to the envelope shown in the table above. In the model structure the green coloured options (activities) are those on the efficient frontier in figure 2 at, or to the left of the green F. For the cumulative areas (marked with a “C” at the bottom of the area) all of the activities in that area up to and including that highlighted activity is included in the portfolio, while for exclusive areas (marked with an “X” at the bottom of the area) only the highlighted activity is included in the portfolio.

Items highlighted in pink are “non-frontier options” - they are more expensive and deliver less benefit (according to the values attributed in the decision conference) than other options within the same area, so one would never choose them.



Figure 3 – Model Structure after scoring and weighting

Table 1 below shows the order of priority of the activities from the highest to lowest value for money. The activities highlighted in green are at, or to the left of the green “F” on the efficient frontier and would be included in a portfolio funded at \$890,000.

	Area		Level		Costs (\$k)		Benefits		Ratio
						Cum		Cum	
#1	11	Women At Sea	2	Women At Sea L	25	25	75	75	3.01
#2	9	Sports Tournament	2	Sports Tournament L	75	100	135	211	1.81
#3	8	Solomon Is Visit	2	Solomon Is Visit L	50	150	89	299	1.77
#4	8	Solomon Is Visit	3	Solomon Is Visit M	25	175	35	334	1.38
#5	4	INR Hospitality	4	INR Hospitality H	150	325	157	491	1.05
#6	10	TV Documentary	2	TV Documentary L	120	445	113	603	0.94
#7	11	Women At Sea	3	Women At Sea M	25	470	23	627	0.92
#8	6	Merchandising	4	Merchandising H	200	670	146	773	0.73
#9	1	Competition	2	Essay Competition L	40	710	27	800	0.67
#10	9	Sports Tournament	4	Sports Tournament H	50	760	26	826	0.52
#11	1	Competition	3	Photo-journalism L	40	800	18	844	0.45
#12	1	Competition	4	Art Competition L	40	840	16	859	0.39
#13	3	Other	2	Faith service M	50	890	14	874	0.29
#14	5	Live Theatre	3	Live Theatre M	250	1140	39	913	0.16
#15	2	CW Art Exhibition	3	CW Art Exhibition M	150	1290	18	931	0.12
#16	11	Women At Sea	4	Women At Sea H	100	1390	10	941	0.10
#17	3	Other	3	Weta Wshops Doco L	60	1450	5	946	0.08
#18	7	Museum Exhibition	4	Museum Exhibition H	510	1960	31	977	0.06
#19	3	Other	4	Field Gun M	60	2020	1	978	0.02
#20	10	TV Documentary	3	TV Documentary M	60	2080	0	978	0.00

Table 1 – Order of Priority

Sensitivity Analysis

During the Decision Conference it was noted that the model sensitivity should be examined to take account of assumptions made. The areas of sensitivity analysis were “changed costs for INR Hospitality” and “can the medium level of the Museum Exhibition activity (“Museum Exhibition (M)”) become a frontier option?”

Changed Costs for INR Hospitality. The costs for INR hospitality were changed to take account of decision conference participants’ experience of the cost of such activity.

	Initial Estimate (\$k)	Adjusted Cost (\$k)
Low Impact	100	150
Medium Impact	125	200
High Impact	150	250

Table 2 – Updated INR Hospitality Costs

Changing the INR Hospitality costs made no difference to the order of priority. As before, only the highest level of the activity was on the efficient frontier.

	Area		Level		Costs (\$k)		Benefits		Ratio
						Cum		Cum	
#1	11	Women At Sea	2	Women At Sea L	25	25	75	75	3.01
#2	9	Sports Tournament	2	Sports Tournament L	75	100	135	211	1.81
#3	8	Solomon Is Visit	2	Solomon Is Visit L	50	150	89	299	1.77
#4	8	Solomon Is Visit	3	Solomon Is Visit M	25	175	35	334	1.38
#5	10	TV Documentary	2	TV Documentary L	120	295	113	447	0.94
#6	11	Women At Sea	3	Women At Sea M	25	320	23	470	0.92
#7	6	Merchandising	4	Merchandising H	200	520	146	616	0.73
#8	1	Competition	2	Essay Competition L	40	560	27	643	0.67
#9	4	INR Hospitality	4	INR Hospitality H	250	810	157	800	0.63
#10	9	Sports Tournament	4	Sports Tournament H	50	860	26	826	0.52
#11	1	Competition	3	Photo-journalism L	40	900	18	844	0.45

#12	1	Competition	4	Art Competition L	40	940	16	859	0.39
#13	3	Other	2	Faith service M	50	990	14	874	0.29
#14	5	Live Theatre	3	Live Theatre M	250	1240	39	913	0.16
#15	2	CW Art Exhibition	3	CW Art Exhibition M	150	1390	18	931	0.12
#16	11	Women At Sea	4	Women At Sea H	100	1490	10	941	0.10
#17	3	Other	3	Weta Workshops Doco	60	1550	5	946	0.08
#18	7	Museum Exhibition	4	Museum Exhibition H	510	2060	31	977	0.06
#19	3	Other	4	Field Gun M	60	2120	1	978	0.02
#20	10	TV Documentary	3	TV Documentary M	60	2180	0	978	0.00

Table 3 – Order of priority including updated INR Hospitality Costs

Can Museum Exhibition become a frontier option? The museum exhibition scores are shown in Table 4.

Activity	Cost (\$K)	Rep. NZ taxpayer	Rep. Opinion shapers	Relationships	Recruiting	Retention	POS
Do Nothing	0	0	0	0	0	0	100
Low	300	30	30	0	0	0	90
Medium	360	70	100	0	40	0	90
High	510	100	80	0	100	0	100

Table 4 – Museum Exhibition Input Scores

Changing either the score for Reputation – NZ Taxpayer from 70 to 100 or the score for Recruitment from 40 to 60 makes Museum Exhibition (M) become a frontier option. Both of these possible changes are in keeping with the conversations in the Decision Conference. Even though either of these changes makes Museum Exhibition (M) appear on the efficient frontier, it is still a relatively low impact option, appearing at #18 on the Order of Priority between the Weta Workshops Documentary and Museum Exhibition (H). Inclusion is therefore a matter for decision makers' judgement.

Observations and Interpretation

Process. Decision Conferencing relies on organisational sponsorship, requisite preparatory work, appropriate involvement in the decision-making, and group engagement. Catalyze Ltd advise that all aspects of the process were sound. The Chief of Navy addressed the Decision Conference, stating that the meeting was an important part of the Navy’s planning for Project NEPTUNE and emphasising the importance that everyone involved in the process participate fully.

The Project NEPTUNE team provided a good standard of documentation before and during the Decision Conference, including well-socialised criteria and options, signed off at senior level following circulation of a Business Case Scoping Document.

The group of decision makers attending the Decision Conference represented a range of stakeholders and levels within the RNZN. The decision makers all engaged well with the decision at hand including, at times, taking part in robust discussion in order to come up with a mutually agreed answer.

Result. The preparation and setup for this process resulted in a sound Decision Conference where people from a wide range of interests and levels in the RNZN were able to participate fully and agree on their preferences for the various activities considered. The resulting model is stable, yielding an unambiguous Order of Priority.

Outcomes. The recommendation of the group was to proceed to fund project NEPTUNE activities at a level that yields good value for money at a level of funding close to the “corner” on the Model Envelope (Figure 2). This corner represents a ‘tipping point’ in value-for-money whereby funding the project above this level provides diminishing return-on-investment, whereas funding it below this level misses opportunities for significant value for low additional cost.

Low, Medium and High Impact combinations of activities and the corresponding funding are outlined below. Here, Medium Impact corresponds to the green F on the “corner” of the Model Envelope, while Low Impact includes three fewer activities and High Impact includes three additional activities.

	Option 1: Do Nothing	Option 2: Low Impact	Option 3: Medium Impact	Option 4: High Impact
Cost (\$k)	0	\$860	\$990	\$1,490
Relative Value	0	826	847	941
Ratio	n/a	0.45	0.29	0.10

Table 5 – Selected impact and funding levels

Figure 4 shows the model envelope with lines indicating the portfolios for relatively Low, Medium and High Impact activities. Figures 5, 6 and 7 show the model structure for Low, Medium and High Impact portfolios.

Finally, Table 6 shows the order of priority and the activities that could be included in each of the portfolios. Note that in the High Impact portfolio, Women at Sea (M) is excluded because it is replaced with Women at Sea (H). The activities at the bottom of the list (Weta Workshops Doco, Museum Exhibition (H), Field Gun (M) and TV Documentary (M)) are not included in any of these proposed portfolios. They are the lowest value-for-money activities and appear to the right of the ‘high’ impact portfolio line on the envelope in Figure 4.

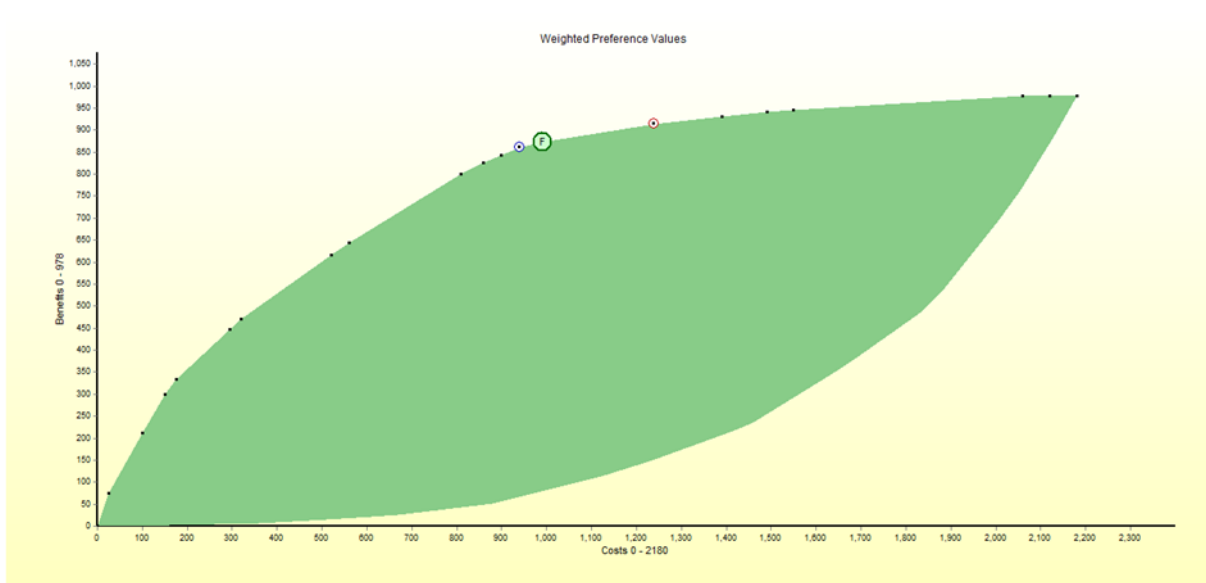


Figure 4 – Model Envelope



Figure 5 – Model Structure – Low Impact



Figure 6 – Model Structure – Medium Impact



Figure 7 – Model Structure – High Impact

Activity	Low Impact	Medium Impact	High Impact
Solomon Is Visit M			
TV Documentary L			
Women At Sea M			
Merchandising H			
Essay Competition L			
INR Hospitality H			
Sports Tournament H			
Photo-journalism L			
Art Competition L			
Faith service M			
Live Theatre M			
CW Art Exhibition M			
Women At Sea H			
Weta Workshops Doco			
Museum Exhibition H			
Field Gun M			

Table 6: Order of Priority for Low, Medium and High impact and funding level activities

Update Decision Conference – 4 March 2016

A decision conference was conducted on 4 March 2016 to update the MCDA analysis of Operation NEPTUNE activities by comparing the value for money of emergent options to those already agreed.

Criteria

Criteria were developed in 2014 by the Director Operation NEPTUNE, endorsed by the then Deputy Chief of Navy, Commodore D.J.R. McDougall and approved by the then Chief of Navy, Rear Admiral J.R. Steer. The Update Decision Conference used the same criteria as the 2014 Decision Conference. Although there were different participants in the Update Decision Conference there was no change of context, so it was appropriate for the same criteria to be used.

Options

The purpose of the Update Decision Conference was to determine the benefits of new activities and opportunities relative to one another and relative to the activities Navy is already committed to. This will assist the Chief of Navy to determine whether the new activities should be added to Operation NEPTUNE.

The options evaluated in this decision conference were a combination of new activities, and previously committed activities that have changed significantly in scope and benefits. Most of the activities were evaluated at a range of levels of funding and output – the MCDA model was set up so that only one level from a given activity will be selected for a given total project investment. Events and activity options are described and differentiated by cost at appendix B.

MCDA Process and Output

MCDA Model

An updated MCDA model was created using the Equity software tool. The model consists of thirteen towers (areas of activity), five of the areas represent potential new activities and are marked with an asterisk (*) at the beginning of the titles of those activities, the remaining eight areas represent activities that have already been agreed upon. Four of the new areas have three possible levels of activity, for these areas different levels of cost and impact can be evaluated. The MCDA Model used for this analysis is shown in Figure 8.

4		* Women at Sea H	* Cloud Fit Out H	* Fireworks High	* Closing Ceremony H		
3		* Women at Sea M	* Cloud Fit Out M	* Fireworks Medium	* Closing Ceremony M		
2	* School Essay Comp +	* Women at Sea L	* Cloud Fit Out L	* Fireworks Low	* Closing Ceremony L	Faith service M	INR Hospitality H +
1	Do Nothing	* Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	* Do Nothing
	* Schools Comp.		* Cloud Fit Out INR		* Closing Ceremony		INR Hospitality
		* Women at Sea		* Fireworks INR	Other		
		X ↑ ↓ ⓧ	X ↑ ↓ ⓧ	X ↑ ↓ ⓧ	X ↑ ↓ ⓧ	C ↑ ↓ ⓧ	X ↑ ↓ ⓧ

Live Theatre M	Merchandising H	Museum Exhibition H	Solomon Is Visit M	Sports Tournament H	TV Documentary L
Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing	Do Nothing
Live Theatre	Merchandising	Museum Exhibition	Solomon Is Visit	Sports Tournament	TV Documentary
X ↓ ↑ ⓧ	X ↓ ↑ ⓧ	X ↓ ↑ ⓧ	X ↓ ↑ ⓧ	X ↓ ↑ ⓧ	X ↓ ↑ ⓧ

Figure 8: Updated Model Structure before commencing the March 4 decision conference

MCDA Scoring and Weighting

The group of decision makers agreed on relative scores against each criterion for the new activities. They determined the scores by evaluating the level of benefit each option would deliver for each criterion relative to the other options in the same area.

After establishing the scores for each area of activity, the areas were weighted relative to one another for each criterion using a process of ‘swing weighting’, this process is called ‘within criteria weighting’ – it allows the decision makers to ensure their scores are comparable across all the areas. Swing weighting captures the group’s relative preference for the swing from the bottom to the top of each area for each criterion. The within criteria weighting compared the swing for each of the new areas and two existing areas to one another. The within criteria weights of the existing areas were not changed; they were used to help the group gauge the magnitude of the swing of the new areas compared to original areas.

Table 7 shows the weights for within criteria weighting. The activities highlighted in pink were the ones chosen for comparison from the original MCDA model.

	Reputation: NZ Tax Payer	Reputation: NZ Opinion Shapers	Relationships	Recruiting	Retention
* Schools Comp	100	200	0	300	0
* Women At Sea	150	300	80	250	80
* Closing Ceremony	140	160	90	150	40
* Fireworks INR	50	40	40	40	20

* Cloud Exhibition	200	150	250	400	100
Solomon Island Visit	92	90	85	90	25
Sports Tournament	20	30	100		100
Museum Exhibition				50	

Table 7: Within Criteria Weights

Usually the final decision making step is ‘across criteria weighting’ where the relative weights of the criteria are determined. This additional work was not needed in this case as it was done at the previous decision conference in 2014 and the context for Operation NEPTUNE has not changed significantly, so the Director, Operation NEPTUNE agreed the original criteria weights would still be valid.

The decision makers performed the scoring and the weighting as a group, guided by the facilitator to ensure consistency and rigour.

Assumptions

During the scoring process, the following assumptions were made (please note that full option descriptions for each activity are at appendix 1):

Recruiting:

- Formerly, Navy understood that people joined the Navy to obtain qualifications, work experience, overseas travel and personal development opportunities. It is now more clearly understood that people also join the Navy to ‘serve a cause’.

Fireworks:

- It is assumed that for all levels of this option that the fireworks displays will be for the same time duration. Options are differentiated based on the extent of the geographical area from which fireworks are visible, and the degree of “customisation” in terms of the actual display.
- No matter what level of money is spent on fireworks, there will be some members of the public who will be critical of fireworks as a waste of money.
- Expect to have 800-1000 people watching fireworks from the Cloud at Queens Wharf, as the fireworks option postulated that the display would coincide with the all ranks function in The Cloud on Saturday 19 November. Of these, 100 would be RNZN personnel.

Schools Competition:

- This was one of the original activities evaluated in 2014, but there has been a significant change in scope (primary and tertiary level competitions have been dropped due to capacity constraints and to allow a focus on secondary schools – the principal recruiting demographic), so it is assumed there will be a change in benefits.
- It is assumed that there will be good uptake as the competition is aligned with the NCEA syllabus and students have the opportunity to earn NCEA credits with their competition entries. In addition, the competition has been advertised through the Education Gazette so teachers are aware of it.

Women at Sea:

- Westpac have naming rights for this event.
- The High-level of the Women at Sea Area includes a Reception/Function at the National War Museum with the 'Golden Girls' – women who served during World War II. It is a rare opportunity to recognise these women for their service to our country.
- The seminar with female high-ranking guest speakers from the Australian and US Navies is part of the Medium and High levels of this Activity. If there is no seminar there is no opportunity to build relationships with these influential women from other Navies or to realise the value they would add as inspirational role models for our own people.

Closing Ceremony:

- It was originally intended that the closing ceremony at the National War Memorial would be a "Business As Usual" event requiring no specific investment under the Operation NEPTUNE programme. However, it has been determined that the ceremony should employ innovative techniques to highlight the sacrifice of those lost aboard HMS NEPTUNE and the draw the attention of New Zealanders to their naval heritage.
- At High-level, it is assumed that light show images will play over a number of nights.

Cloud Fit-out:

- The fit-out for the Cloud will be outsourced, and the management of the Cloud will also be outsourced. These assumptions were considered when determining the Probability of Success percentage figure.

Output

Following scoring and weighting the group examined outputs from the MCDA Model. The group agreed that the order that options was consistent with their scoring and weighting conversations.

The envelope for all the Project NEPTUNE activities being considered is shown below – with the vertical axis representing cumulative total benefit (the weighted sum of all the scores) and the horizontal axis representing the cumulative total cost. The green area represents the value-for-money delivered by the combination of all possible activities and the points on the upper surface of this area show the best combination of options for any defined level of funding – the "efficient frontier". Each point on the efficient frontier corresponds to an option in the model.

Figure 9 shows the envelope with an 'F' in a green circle on the efficient frontier – this is where the slope of the frontier flattens off. Moving further up the efficient frontier, becomes a matter of reduced relative return for a given level of investment. The decision conference participants said that this (the 'F' point) represented a meaningful combination of activities.

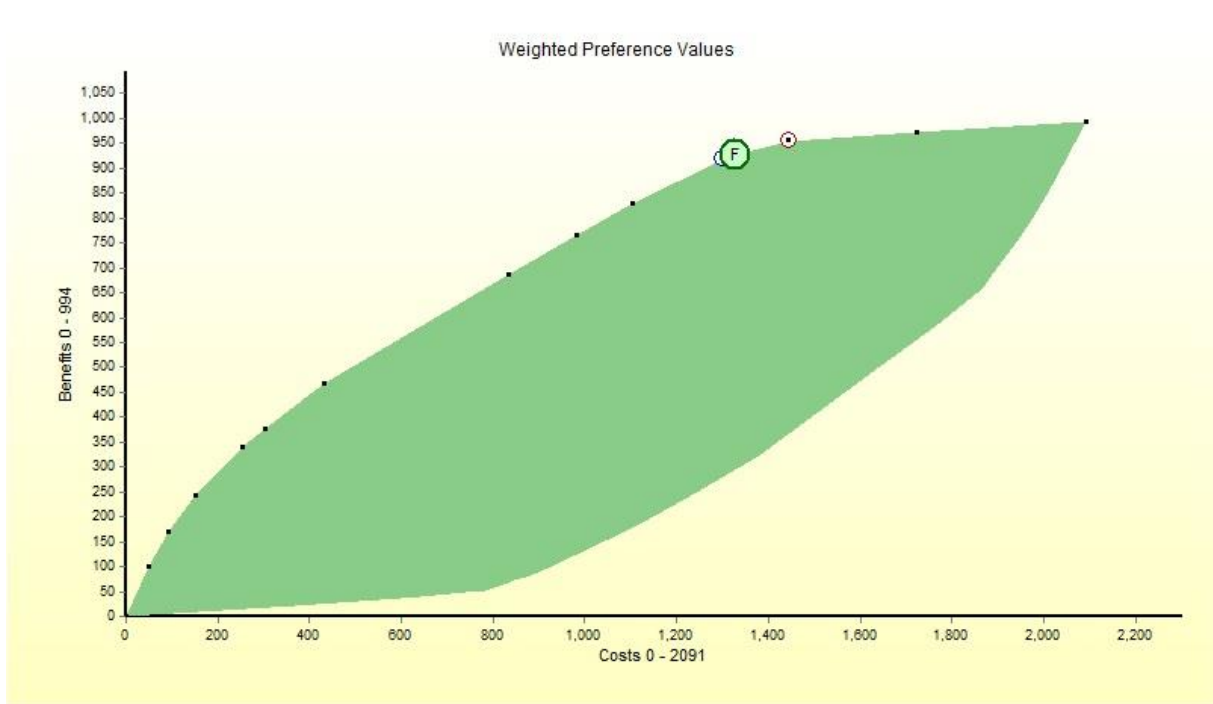


Figure 9: Model Envelope showing the Efficient Frontier

The model structure in figure 10 corresponds to the envelope shown in figure 9. In the model structure the options marked with a green 'F' (activities) are those on the efficient frontier in figure 9 at, or to the left of the green F.

4	* Women at Sea H F	* Cloud Fit Out H F	* Fireworks High	* Closing Ceremony H F		
3	* Women at Sea M	* Cloud Fit Out M	* Fireworks Medium	* Closing Ceremony M		
2	* School Essay Comp F+	* Women at Sea L	* Cloud Fit Out L	* Fireworks Low	* Closing Ceremony L	Faith service M F+
1	Do Nothing F	* Do Nothing	Do Nothing	Do Nothing F	Do Nothing	INR Hospitality H F
	* Schools Comp. C ↓ ↑ ⓧ	* Women at Sea X ↓ ↑ ⓧ	* Cloud Fit Out INR X ↓ ↑ ⓧ	* Fireworks INR X ↓ ↑ ⓧ	* Closing Ceremony X ↓ ↑ ⓧ	Other C ↓ ↑ ⓧ
						INR Hospitality X ↓ ↑ ⓧ

Live Theatre M	Merchandisin H F	Museum Exhibition H	Solomon Is Visit M F	Sports Tournament H F	TV Documentary L F
Do Nothing F	Do Nothing	Do Nothing F	Do Nothing	Do Nothing	Do Nothing
Live Theatre X ↓ ↑ ⓧ	Merchandising X ↓ ↑ ⓧ	Museum Exhibition X ↓ ↑ ⓧ	Solomon Is Visit X ↓ ↑ ⓧ	Sports Tournament X ↓ ↑ ⓧ	TV Documentary X ↓ ↑ ⓧ

Figure 10: Model Structure after scoring and weighting

Table 8 shows the order of priority of the activities from the highest to lowest value for money. The activities highlighted in green are at, or to the left of the green 'F' on the efficient frontier and would be included in a portfolio.

Note that due to the nature of the way the model is constructed (picking only one option from each area), the order of priority shows the investment point (Cumulative cost) at which you would select the next option. For some areas, this means swapping one option for the next in that area (e.g. 'Women at sea M' has the highest slope of the Women at Sea options, but if there is sufficient funding available, selecting 'Women at Sea H' (point 5 in the order of priority) is preferable).

	Area	Level		Costs (\$k)		Benefits		VfM Ratio
					Cum		Cum	
1	* Women at Sea	3	* Women at Sea M	50	50	97	97	1.95
2	* Schools Comp.	2	* School Essay Comp	60	110	104	201	1.73
3	Solomon Is Visit	2	Solomon Is Visit M	43	153	70	270	1.62
4	* Closing Ceremony	4	* Closing Ceremony H	100	253	99	370	0.99
5	* Women at Sea	4	* Women at Sea H	50	303	45	415	0.91
6	* Cloud Fit Out INR	4	* Cloud Fit Out H	400	703	225	640	0.56
7	Sports Tournament	2	Sports Tournament H	130	833	72	712	0.55
8	TV Documentary	2	TV Documentary L	120	953	64	776	0.53
9	Merchandising	2	Merchandising H	150	1103	66	842	0.44
10	INR Hospitality	2	INR Hospitality H	200	1303	69	911	0.35
F	Other	2	Faith service M	25	1328	8	919	0.33
12	* Fireworks INR	4	* Fireworks H	120	1448	27	946	0.23
13	Museum Exhibition	2	Museum Exhibition H	275	1723	21	967	0.08
14	Live Theatre	2	Live Theatre M	368	2091	26	993	0.07

Table 8: Order of Priority

Sensitivity Analysis

No sensitivity scores were recorded from the Decision Conference as decision-makers agreed on all scores. As well as looking at any recorded disagreement of scores model sensitivity should be examined to take account of assumptions made or any other cognitive bias.

The weighting conversations were rigorous and decision makers were engaged, however in a decision process like this where a number of new items are being compared to a number of existing items, groups often have a bias towards the new items. Considering that a bias towards the new items may have been in play, the within criteria weights for the existing areas were doubled and the model re-examined – this is quite a large change, designed to really test the limits of the sensitivity and is more extreme than any likely impact of bias. The resulting envelope is shown in Figure 4 where the shape is similar to the previous envelope with a relatively flat region in the middle of the efficient frontier ‘curve’ and a distinct corner where the slope (and hence the Value for Money) flattens off.

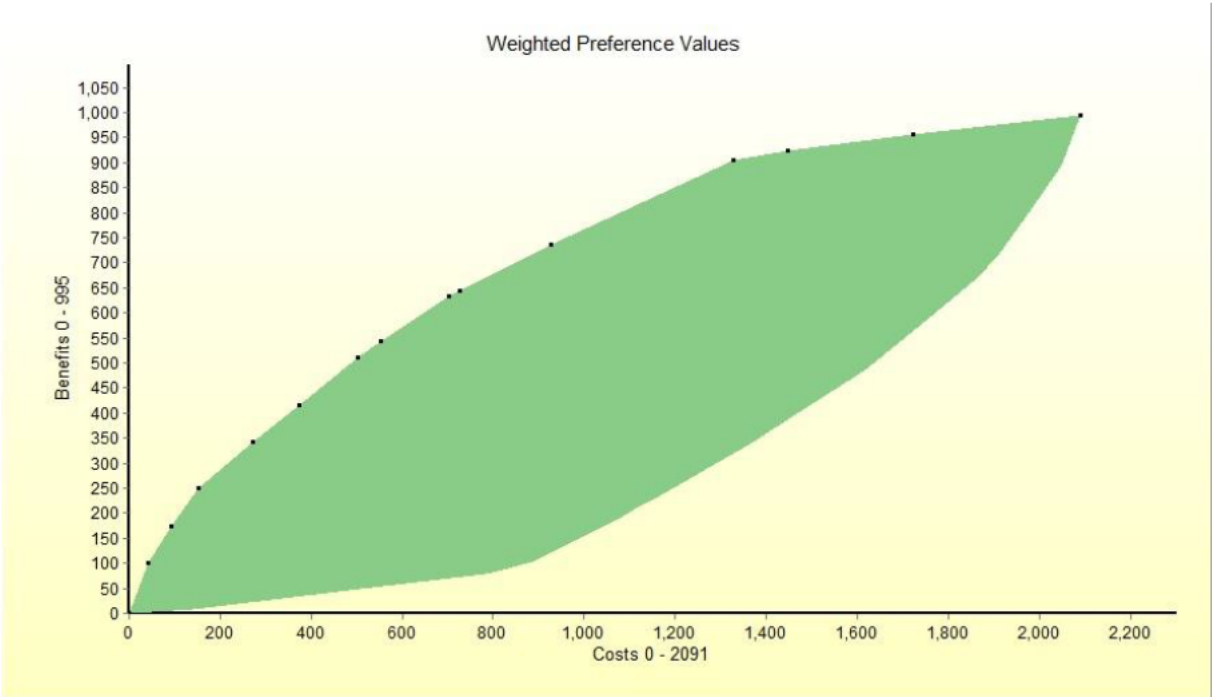


Figure 11: Model Envelope - within criteria weights altered for the existing areas

Table 9 compares the order of priority at the end of the decision conference to the hypothetical order of priority after altering the weights. As one would expect some of the existing items move up the order of priority and correspondingly all of the new items move down.

The ‘Cloud Fit-out H’ option moves down the order of priority five places. This is not surprising because the middle part of the efficient frontier is comprised of a number of items that have very similar slopes (so it appears relatively flat), therefore the order of these is likely to change around in response to slight adjustments to the weights (noting that doubling the weights of the existing items is not a “slight” adjustment).

This confirms that the model is stable and there is no change to the conclusions as a result of this test.

Compare Order of Priority			
Rank	End of Decision	Sensitivity Analysis	Change in

	Conference	Applied	Rank
1	* Women at Sea M	Solomon Is Visit M	+2
2	* School Essay Comp	* Women at Sea M	-1
3	Solomon Is Visit M	* School Essay Comp	-1
4	* Closing Ceremony H	TV Documentary L	+4
5	* Women at Sea H	* Closing Ceremony H	-1
6	* Cloud Fit Out H	Sports Tournament H	+1
7	Sports Tournament H	* Women at Sea H	-2
8	TV Documentary L	Merchandising H	+1
9	Merchandising H	Faith service M	+2
10	INR Hospitality H	INR Hospitality H	0
F	Faith service M	* Cloud Fit Out H	-5
12	* Fireworks H	* Fireworks H	0
13	Museum Exhibition H	Museum Exhibition H	0
14	Live Theatre M	Live Theatre M	0

Table 9: Comparing Order of Priority

Observations and Interpretation

Process

Decision Conferencing relies on organisational sponsorship, requisite preparatory work, appropriate involvement in the decision-making, and group engagement. All aspects of the process were sound.

The Operation NEPTUNE team provided a good standard of documentation before and clear oral briefing during the Decision Conference. The criteria used were agreed in 2014 and are now widely accepted within the organisation, including by the decision makers.

The group of decision makers attending the Decision Conference represented a range of stakeholders and levels within the RNZN. The decision makers all engaged well with the

decision at hand, including at times, taking part in robust discussion in order to come up with a mutually agreed answer.

Result

The preparation and setup for this process resulted in a sound Decision Conference where people from a range of interests and levels in the RNZN were able to participate together and agree on their preferences for the various activities considered. The resulting model is stable, yielding an unambiguous Order of Priority.

MCDCA Conclusion

At the end of the decision conference the decision makers examined the output and agreed that it made sense in light of their conversations. They suggested that including the activities up to, but not including, the fireworks display felt sensible, noting that the Live Theatre programme had already been committed to, it having been determined that this activity mitigates the “Auckland centricity” risk identified at the outset of NEPTUNE planning. The decision makers’ view was based on examining the efficient frontier, where it can be seen that there is generally a consistent additional value-for-money for each extra activity (the ‘efficient frontier’ is very flat) up to, but not including the ‘Fireworks H’ option. It is commonplace for groups using such MCDA models to set investment points at ‘corners’ in the efficient frontier like this.

This would mean the following additional activities would be carried out as part of Operation NEPTUNE (over and above the previously committed activities):

- Closing ceremony (High) \$154K
- Women at Sea (High) \$96.5K
- Cloud fit-out (High) \$500K

This requires an additional \$750,500 of investment, noting that these costs represent a maximum and in the case of the closing ceremony and the Cloud fit out will be subject to market testing which is likely to bring costs down.

The MCDA indicates that these additional activities will provide a high level of extra value as part of the overall Operation NEPTUNE, and in most cases greater value-for-money than some of the activities that are already in the programme (noting that it is out of scope to consider stopping or cancelling any of the already committed activities). This suggests the additional items should be carried out and would enhance the overall value-for-money of the entire Operation NEPTUNE.

Opportunity Events

In addition to the events and activities subjected to MCDA in the first and updated Decision Conferences, two worthwhile additional events have come to light that were not considered during Decision Conferences but which nonetheless could contribute to Op NEPTUNE aims. These are described as follows:

2016 is the 50th Anniversary of naval aviation in the RNZN – the first Wasp flight was formed to embark in HMNZS WAIKATO in 1966. The aviation community has been working exceptionally hard of late; operational commitments have been heavy and the workload around the introduction into service of the SH2G(I) has been high. An event to mark this Anniversary would signal appreciation of the efforts of this key naval community and allow recognition of the contribution made by RNZAF personnel to naval operational effectiveness

in generating and maintaining embarked flights over the years. It is recommended the \$15K be set aside for this purpose.

It is proposed that a number of maritime centric charities be provided with display space in The Cloud and general profile during the INR. One of these charities is Sea Cleaners, a maritime environmental clean up organisation. Sir Bob Harvey, former Chair of Waterfront Auckland by whose generosity The Cloud was made available to us for the INR, is Patron of Sea Cleaners. In the course of discussion with Sea Cleaners, an opportunity was identified for Navy to assist with a public beach clean up in the Tamaki Estuary. This has been organised as a competition, with BCT and JOCT Divisions competing against each other. Media interest is expected. Had the cost of this been understood it would have been added to the Decision Conference, but it was thought it could be absorbed in BAU baselines. The cost is not excessive measured against other activity, however, and it is recommended that \$7K be set aside for this purpose.

Baseline Costs

MCDA has provided an objective basis for determining the relative value delivered by events and activities where a choice exists as to whether these should proceed, and if so, on what scale. However, Operation NEPTUNE will incur baseline costs regardless of activity options selected, and these need to be considered in developing total costs. These costs have been refined since the original Business Case was submitted and are detailed below:

- **Port services and security.** Visiting ships will meet normal berthage costs, but given the very large number of warships visiting simultaneously and the complexity of harbour movements prior to and following the Review itself there may be a requirement for additional charges associated with the extra burden created on port services. It would be unreasonable and undesirable to expect visiting ships to bear this additional cost. Provision is made for \$100K for this purpose.
- **Border Clearance.** Border clearance operations will be carried out at anchorages in the Inner Hauraki Gulf. The clearance operation concept can be executed using BAU Customs and MPI resources, provided there is no unforeseen disruption to arrangements, such as an inability to separate visiting ship ETA resulting in a “spike” in arrivals requiring clearance late in the clearance window. If such were to occur there would be a need to secure additional Customs and MPI staff resources at RNZN expense. In addition, it is planned to move clearance teams using Navy RHIBs. If weather conditions do not permit this it may be necessary to charter a suitable vessel. \$50K is allowed for these purposes.
- **Fuel Storage Costs.** Provision has been made for the storage of bulk fuel in anticipation of high demand during the fleet concentration period. \$70K has been allocated for this activity.
- **Street Parade.** A parade of assembled ships’ companies through the Auckland CBD is a “must have” event. The Review could not be considered such without one. There will be a requirement for traffic management, refreshments, and other associated costs to allow the parade to proceed. \$20K is allowed for this purpose.
- **INR HQ/CIS Services.** It will be necessary to establish a temporary tactical HQ for Operation NEPTUNE. It is proposed to use HMNZS NGAPONA facilities for this purpose. Additional CIS services will be required to support up to 30 people

simultaneously, together with portable radios and the like. \$20K is allowed for this purpose.

- **Liaison Officer Travel.** The success of the review is dependent to a large extent on effective liaison with visiting ships. [section 6(a)]

It is therefore intended that with the exception of [section 6(a)] ships, visiting ships will be provided with an RNZN Liaison Officer who will join at their last port of call before arrival in New Zealand for the Review. This will also allow visiting ships' companies to become acquainted with cultural and recreational opportunities prior to arrival. \$25K is allocated for this purpose

- **Vehicle Hire.** Existing CL vehicle fleets can be drawn on to some extent to meet transport needs during the Review. However, up to 10 additional cars for liaison officers and a number of high capacity passenger vehicles will be needed to ensure all contingencies are provided for. \$50K is allocated for this purpose.
- **Boat Hire.** The original Business Case did not make specific provision for boat hire, which is needed given that a number of ships will be at anchor from arrival Auckland Thursday 17 November until after the Review by HEGG PM Saturday 19 November. There is also a requirement to run liberty boats between Auckland and Devonport for the benefit of ships' companies berthed at Devonport Naval base. [section 9(2)(b)(ii)]

- **Communications** [s.9(2)(f)(iv)] In the original Business Case \$200K was allocated for paid advertising. However, shortly after the Business Case was submitted, the then Director of the Defence Communications Group (now Defence Public Affairs) advised that Navy would need to seek external communications agency support as there was insufficient DCG/DPA capacity given the likely scale of NEPTUNE requirements. [section 9(2)(b)(ii)]

- **Bus Wrap.** Advertising wrap to be placed on two Navy Fleet buses for duration of 75th Anniversary celebrations. \$25K has been allocated for this activity.
- **Advertising.** Notwithstanding the intention to exploit non-paid communications channels to promote NEPTUNE activities, it may still be desirable to commission banners and the like for the INR. As these will need to be on a large scale and of significant quality \$50K is provisioned for paid advertising.
- **Sailor's Cafe.** It is very important that the visitor experience of visiting ships' companies is positive and opportunities for cultural, recreational, and general tourist type experiences are made available. It is therefore necessary to establish a visiting

ships' information centre in the vicinity of the main berthing area in downtown Auckland. \$50K is allocated for this purpose.

- Sponsorship Coordination [s. 9(2)(f)(iv)]** The cost of sponsorship coordination was not anticipated when the original Business Case was prepared. It was assumed that the associated costs could be met by re-adjusting existing baselines. However, doubling the sponsorship target to \$1M required significantly greater effort from the sponsorship coordinator (an external service provider) and consequently greater costs. Post agreement sponsor management has also proved to be more resources intensive than anticipated. Nonetheless this should be seen in light of the \$929K in high confidence or confirmed sponsorship that has thus far been secured. \$115K has been allocated for this purpose.
- Event Management [s 9(2)(f)(iv)]** The need for event management professional services became evident when Sir Bob Harvey, then Chair of Waterfront Auckland, made The Cloud available to support the International Naval Review. Professional event management services are essential to ensure that the venue is administered effectively. In assessing risks created by the planned public Open Day during the INR, it also became evident that the specialist health and safety planning and execution skills of a professional event manager were required for this particular event. The services procured cover the management of The Cloud as an event and display platform throughout the INR and for the administration of the Open Day. \$145,645 has been allocated for the provision of event management services for both the WAS and INR events.
- Project Management Costs.** Appropriate analysis of the Operation NEPTUNE programme of events was considered critical so as to ensure relative value for money was obtained against each option and ensure prioritisation against available resources.. [s.9(2)(b)(ii)] was contracted to facilitate Decision Conferences during which the MCDA process was applied to assess investment options in an objective and contestable way. The outcome of the MCDA was then used as the crux of the both the Original and Updated Business Cases and subsequent prioritisation of budgets. \$18K has been allocated for the facilitation of Decision Conferences and application of the MCDA process by [s.9(2)(b)(ii)]
- Routine Costs***. Essential for the conduct of day to day business and includes stationery, routine travel, replacement clothing, CIS support and software / toll charges. Total allocation for routine costs is \$87 000.
- Total Baseline Costs: \$1 315 645**

* Not included in original Business Case as this document focused on Operation NEPTUNE key activities and events. These costs are provided to enable an overall appreciation of total costs attributed to the project.

Recommended Operation NEPTUNE Programme of Investment

Taking into account the outcomes of the initial Decision Conference (accepted by CN in granting Approval In Principal to the original Business Case) and the outcomes of the Update Decision Conference, the following programme of events and activities is recommended (completed events included to provide a picture of programme costs, original forecast costs):

Activity	Revised Costing	Original Forecast
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Solomon Islands Campaign Commemoration	\$42 615	\$75 000
Naval Base Veteran's Day	\$14 636	
HEGG Garden Party	\$31 800	
Sea Cleaners LDG Beach Clean	\$7 000	
Veteran's Attendance at Fleet Divisions*	\$2 000	
50 th Anniversary of RNZN Aviation	\$15 000	
Women At Sea (High)	\$96 500	
INR Hospitality	\$200 000	
INR Sports (and Entertainment)	\$130 000	\$50 000
INR Divine Service	\$25 000	\$50 000
INR Cloud Exhibition Fit-Out*	\$500 000	
INR Gifts	\$150 000	\$200 000
TV Documentary	\$120 000	
"Navy Players" Theatre Tour	\$353 000	\$250 000
School Competition	\$60 000	\$120 000
Operation NEPTUNE Closing Ceremony	\$154 000	
Museum Exhibitions	\$275 000	\$75 000
Total Discretionary Costs	\$2 176 551	
Baseline Costs	<u>\$1 315 645</u>	\$820 000
Total Programme Costs	\$3 492 196	
Less Sponsorship (cash and kind FY15/16 &16/17)	\$950 600	
Net Programme Costs	\$2 541 596	

* Not included in original programme

** Variances explained individually above

*** This is not net Operation NEPTUNE budget impact. Some forms of sponsorship in kind do not directly offset costs identified in the original Operation NEPTUNE Business Case [section 9(2)(f)(iv)]

but all deliver net savings to Vote Defence. **Exercise MAHI TANGAROA – Offset**

NZ is a member of the ASEAN Defence Minister's Meeting (Plus) forum, a key regional security mechanism. Membership of the forum entails responsibilities to contribute to its collective aims. Included in these responsibilities is the hosting of exercises and other activity

designed to increase interoperability and mutual confidence. NZ has a responsibility to host a maritime security exercise in the 2016 time frame. Exercise MAHI TANGAROA has been accordingly been scheduled to meet this commitment and to coincide with the INR. \$692K in costs attributed to the INR would be incurred if MAHI TANGAROA were to be held independent of the INR.

Recommendation

To achieve maximum impact and to reach into as many sectors of New Zealand society with our Navy's message as possible, it is recommended that the programme of investment be adopted at a cost of \$2 176 551 for discretionary activities and \$1 315 645 for baseline activities, for a total programme cost of \$3 492 196, offset by \$950 600 in confirmed or high confidence cash or kind sponsorship for a net programme cost of \$2 541 596. This represents an increase of \$376 596 over the original Business Case cost of \$2,165,000.

Commercial Case

A wide variety of services has been and will be procured for Operation NEPTUNE. These will include professional services for event management, communications, and sponsorship coordination, boat and vehicle hire, costs associated with a large scale customs and quarantine clearance operation, travel for RNZN Liaison officers' to visiting ships last ports of call, hospitality, and transport. Services will be procured in accordance with standard rules and procedures.

It is intended to partly fund Operation NEPTUNE events and activities through commercial sponsorship. The initial target of \$500,000 was increased to \$1,000,000 when it became apparent that the opportunities presented by the availability of The Cloud (not known when the original Business case was prepared) would require appreciable investment to be fully exploited. As indicated above, this target has nearly been reached – confirmed or high confidence sponsorship to the value of \$950 600 has been secured.

Sponsorship agreements have been approved in each case by Defence Commercial Services following the early engagement of Defence Legal Services. In seeking sponsorship, the following guidelines advised by Defence Commercial Services have been observed:

- Sponsorship will not be directly linked to any offer of services/goods to the NZDF.
- Persons involved in contracting roles (tendering, negotiating, or administration) roles will not be involved in soliciting sponsorship.
- Sponsorship will not be sought from vendors the NZDF is currently in a tendering process with.

Financial Case

Funding for Operation NEPTUNE will be a mix of operating expenditure and commercial sponsorship. Services associated with naval operations and logistics will be funded from operating budgets; services associated with special commemorations and promotional events, including hospitality, will be funded from a mix of operating budgets and sponsorship. Some events, notably potential theatrical performances, commemorative museum exhibits and a television documentary, may be funded wholly by sponsorship with associated naming rights.

The overall target figure for sponsorship is \$1M. At the time of preparing this refreshed business case, \$950 600 in confirmed or high confidence cash or kind sponsorship had been secured. Sponsorship revenue is detailed below by sponsor for FY 15/16 [section 9(2)(f)(iv)] and FY 16/17:

Sponsor	Cash	Contra	Details
[section 9(2)(f)(iv)]		\$122 500	Local call and data cards for INR and fit out of Cloud with wifi
	\$100 000		Due Mar 16
	\$100 000		Due Nov 16

[section 9(2)(f)(iv)]

	\$75 000		Due Nov 16
		\$54 000	Domestic and International Flights
		\$50 000	Cloud Venue for INR
	\$50 000		Due Nov 16
	\$50 000		Due Nov 16
	\$50 000		Due Nov 16
	\$50 000		Due Nov 16
	\$50 000		Due Oct 16
	\$50 000		Due Nov 16
		\$32 400	Two vehicles for use until Dec 2016 (18 mnths @ \$900 pm ea)
	\$25 000		Due Nov 16
		\$22 700	Accommodation during INR and advertising space
	\$20 000		Due Nov 16
	\$10 000		Due Nov 16
	\$6 500		Due Nov 16
	\$3 250		Due Mar 16
	\$3 250		Due Nov 16
	\$6 500		Due Nov 16
	\$6 500		Due Nov 16
	\$6 500		Due Nov 16
	\$6 500		Due Nov 16
Total	\$669 000	\$281 600	

It is proposed that funding for the high impact option be included in the four year plan budget build.

	2015/16	2016/17	Total
Operating expenditure	\$689 386	\$2 802 810	\$3 492 196
Revenue ²	\$178 850	\$771 750	\$950 600
Operating required	\$510 536	\$2 031 060	\$2 541 596

² Sponsorship in cash or direct Op NEPTUNE budgetary offsets

Management Case

Project Management Strategy

The project management aim is to plan and execute a series of events and activities that enhance the reputation, relationships, retention and recruiting strategies of the RNZN. The centrepiece event is the INR. Events and activities must be planned and executed to the highest possible organisational standard. They must be delivered on time, to the scope defined for each event and activity, and on budget.

The project management strategy is to establish a core planning team within the Naval Support Command headed by a Captain as Director, Operation NEPTUNE (DON). As the planning workload increases this team will gradually expand as specialist competencies are incorporated, until the Operation NEPTUNE team transitions to form a CTG staff under the Operational Command of the Maritime Component Commander for the execution of the INR. On completion of the INR the CTG staff will disband, leaving DON and a small core to conduct wash up and Post Activity Reporting.

Project Organisation and Resources

Phase 1 (Planning): Aug 14 – Dec 15. Complete.

Phase 2 (Detailed Planning, Execution): Dec 15 – Oct 16. Planning for the INR will intensify in detail from Dec 15 onwards. From this time, the organisation detailed at annex B will progressively stand up in accordance with the time frames indicated in the key to the diagram. The Operation NEPTUNE team will plan and execute those events and activities not forming part of the INR, including a detailed communications plan. DON will report to DCN throughout Phase 2.

Phase 3 (INR): Oct – Nov 16. The execution phase will begin early Oct 16, at which point the organisation at annex C will be stood up to execute the following:

- Border clearance operations prior to Exercise MAHI TANGAROA and PASSEX.
- Auckland anchorage/berth assignment.
- The INR, including harbour movements on completion of the Review by HEGG.
- All events and activities associated with the INR

Phase 4 (Post INR and Closure): Nov 16 – Feb 17. Following the INR, DON and staff will progress the following (planning having commenced during phase 2):

- A black tie evening event at the naval base to either entirely fund or significantly subsidise an event for the Navy's people (below).
- A black tie event or ball for the Navy's people using the same venue and facilities set up for the above event (to be held on preceding night).
- The Operation NEPTUNE closing ceremony and service of commemoration for HMS NETUNE at Pukeahu National War Memorial.

DON and core staff will also progress wash up and PAR submission.

Project Governance

As a direct report to DCN, DON will report via the Naval Leadership Board (NLB) and ESM. He will attend NLB as required, and provide monthly situation reports to DCN covering major lines of activity, risk status, and financial status.

For Operation NEPTUNE, the NLB is the Project Management Board required under the PRINCE2 project management methodology.

DON will also be an ex officio member of the Naval Reputation Management Board. This is to ensure that the linkage between naval BAU communications and reputation management activity and Operation NEPTUNE is managed.

Leadership/Engagement Strategy

The BBC single stage business case template requires that a strategy for the management of the change associated with the proposed investment be identified. Operation NEPTUNE will not bring about change per se – rather it will enhance existing strategies and leadership themes. However, change management is fundamentally about leadership, and it is useful to outline at a high level the leadership strategy by which Operation NEPTUNE will be planned and executed.

Operation NEPTUNE planning and execution will require significant commitment from the entire naval team, particularly those identified to serve in the Operation NEPTUNE team. It is therefore important that our people buy in to the general aims of Operation NEPTUNE and the specific aims of events and activities. This will be achieved by a communications programme based around articles in Navy Today and by other means as appropriate. DON briefed all ship, HQ and shore establishment Command Teams late 2014.

Benefits Management

The benefits identified above can be tracked in a number of ways:

Reputation. Should the next government undertake a defence policy review such as a white paper, it is likely that some form of public attitude survey will be carried out along the lines of that carried out in conjunction with DWP2010. If this is conducted within a reasonable time after Operation NEPTUNE, any appreciable improvement related specifically to navy may be attributable at least in part to Operation NEPTUNE – all other things being equal, and assuming that the NZDF has not taken part in any particularly successful, high profile activity over that time.

Relationships. Evidence of a positive impact on relationships with other navies can only be anecdotal. Nonetheless, if INR events and activities are well conducted, satisfying and enjoyable for overseas participants, positive feedback can be expected. Such feedback could be received directly by the naval leadership or reported by CO's informally and through Reports of Proceedings.

Retention. Personnel attrition figures are tracked monthly. A marked reduction in attrition immediately after the INR could be attributed in part to realisation of the benefits identified above.

Recruitment. The RAN recorded a dramatic spike in recruiting interest following their International Fleet Review in 2013. A similar spike after the INR and other Operation NEPTUNE could reasonably be attributed to Operation NEPTUNE.

Risk Management

A risk register will be raised and used as the basis for ESM reporting, and reporting to NLB. Risks identified at the time of writing this business case and already under treatment include:

- Physical attack on INR participants
- Insufficient commercial sponsorship for key activities
- Activity scope exceeding organisational capacity
- Invitation take up from invited navies
- VVIP programme integration
- Insufficient support from other government agencies and stakeholders

Summary

This Business Case has identified a need to support RNZN strategic goals by investment in a programme of events and activities to enhance recruiting, retention, our reputation with the people of New Zealand in support of recruiting and retention, and our relationships with key maritime security partners. These aims can be achieved by linking this investment with the 75th Anniversary of the foundation of the RNZN. Options for investment were pre-screened against critical success factors which led to the elimination of some of those originally proposed. Those that passed pre-screening were subjected to MCDA to determine which combination of options delivered the best value for money against common evaluation criteria to produce a recommended programme of investment. This Business case updates the original programme by subjecting new opportunities for investment to the same evaluation criteria, again using MCDA, to produce an updated programme. Baseline costs have also been updated.

Next Steps

This business case seeks formal approval for the allocation of \$2,541,596 from operating budgets to support Operation NEPTUNE events and activities.

Annexes:

- A. Multi Criteria Decision Analysis Decision Conference List of Participants
- B. OPERATION NEPTUNE C2 and Staff Structure

Appendix:

1. OPERATION NEPTUNE Proposed Activities – MCDA Inputs

**ANNEX A TO OPERATION NEPTUNE
SINGLE STAGE BUSINESS CASE**

**MULTI CRITERIA DECISION ANALYSIS DECISION CONFERENCE
LIST OF PARTICIPANTS**

Commander (Chair)

Lieutenant Commander

Lieutenant

Lieutenant

Lieutenant

Sub Lieutenant

Warrant Officer Stores Accountant

Petty Officer Chef

Leading Chef