

# Overseas travel by NZDF senior officers

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# Executive summary

## Introduction

- 1 We reviewed the overseas travel undertaken by NZDF officers and senior civil staff of brigadier equivalent rank and above between 1 July 2008 and 30 June 2011. Our focus was on the policies, controls and practices that apply to overseas travel at this level.
- 2 We previously reported on senior officer travel in 2001.<sup>1</sup> Where relevant, comparisons are made.

## Overview

### *Major general (equivalent)*

- 3 Overseas travel by officers of major general equivalent rank and above was, until November 2008, governed by guidance dating back to 2001.
- 4 Since November 2008 some of the rules have been relaxed, mainly in relation to operational travel. The rules around non-operational overseas travel, defence diplomacy visits, and the limit on the number of major general or higher officers to be out of country simultaneously remain extant. Operational overseas travel no longer requires Ministerial approval, but is now approved by CDF.
- 5 The NZDF intended incorporating the 2001 rules into DFO 1 - *Defence Force Orders for the Administration of HQ NZDF*. This has not happened. In 2009, a revised policy was drafted for incorporation into a revision of DFO 1. That revision has not been progressed.
- 6 In 2001, there were four officers of major general equivalent rank and above.<sup>2</sup> In 2011, there are now six military officers and two senior civil staff members in this group.<sup>3</sup>

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<sup>1</sup> Evaluation Report 267 – *Review of NZDF Chief of Staff Overseas Travel*, 21 August 2001 and Evaluation Report 269 – *Review of NZDF Senior Officers' Overseas Travel*, 14 August 2001.

<sup>2</sup> The Chief of Defence Force and the Chiefs of Naval Staff, General Staff and Air Staff.

<sup>3</sup> The Chief of Defence Force, Vice Chief of Defence Force, Commander Joint Forces New Zealand, Chiefs of Navy, Army and Air Force, and the civilian posts of Corporate Finance Officer and General Manager Organisational Support. Our review predates the appointment of the Chief Operating Officer.

- 7 Although the Corporate Finance Officer and General Manager Organisational Support are major general equivalent, the NZDF applies its rules for brigadier equivalent officers to their travel. CDF, rather than the Minister, approves travel by the Corporate Finance Officer and General Manager Organisational Support.
- 8 The guidance, although dated, is broadly being followed. We accept that some aspects of the guidance are no longer applicable. The NZDF should review the policies and guidance. Policy and guidance should be incorporated into DFO 1–*Defence Force Orders for the Administration of HQ NZDF*. A stand-alone DFO should be issued if incorporation into DFO 1 is likely to be protracted.

#### *Brigadier (equivalent)*

- 9 Travel by brigadier equivalent officers is mostly part of an approved annual programme. Individual trips are approved by CDF.
- 10 We found no issues that needed to be highlighted or drawn to the attention of the Minister.

#### *Data required for reporting*

- 11 Obtaining the information for this report was not easy. We utilised a number of unrelated sources. We note that essentially the same information is needed each year to answer Foreign Affairs, Defence, and Trade Select Committee questions. We were told that the NZDF also has difficulty compiling the information. The present ad hoc compilation methods may lead to inconsistencies and errors.
- 12 The NZDF should introduce a formal, systematic process for capturing and verifying data on senior officer travel throughout the year.

#### **Recommendations**

- 13 It is recommended that the NZDF:
  - a reviews the policies for overseas travel by officers of major general (equivalent) rank, and seeks Ministerial agreement to those policies;
  - b publishes the policies and procedures for major general equivalent officers in DFO 1. A stand alone DFO should be issued if inclusion into DFO 1 is likely to take time; and
  - c implements a formal, systematic process for capturing and verifying data on senior officer travel throughout the year.

# Chief of Defence Force response

## Chief of Defence Force response

- 1 The contents of this report and its recommendations are noted. I am satisfied that the report presents an accurate representation of current Senior Officer Overseas Travel management processes within the NZDF. I endorse and support the findings and accept the recommendations.





# Section 1

## Introduction

### Introduction

- 1.1 We reviewed the overseas travel undertaken by NZDF officers and senior civil staff of brigadier equivalent rank and above between 1 July 2008 and 30 June 2011. Our focus was on the policies, controls and practices that apply to overseas travel at this level.
- 1.2 We previously reported on senior officer travel in 2001.<sup>4</sup> Where relevant, comparisons are made.

### Background

#### *Policy—Major general equivalent and above*

- 1.3 The policy requirements for overseas travel by officers of the rank of major general equivalent and above were, until November 2008, based on policies and guidance originated between 1985 and 2001.
- 1.4 Since November 2008 some of the rules have been relaxed with the Minister of Defence's agreement, mainly for operational travel.
- 1.5 Policies and guidance for overseas travel by major general (equivalent) officers are not clearly established or documented. The NZDF intended incorporating the 2001 rules into DFO 1—*Defence Force Orders for the Administration of HQ NZDF*. This did not happen. In 2009, an updated senior officer travel policy was drafted for incorporation into a revision of DFO 1. We understand that the revision is not currently being worked on.
- 1.6 In conducting this review we have followed broadly the 2001 guidance, but accept that aspects of that guidance are no longer being applied.

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<sup>4</sup> Evaluation Report 267 – *Review of NZDF Chief of Staff Overseas Travel*, 21 August 2001 and Evaluation Report 269 – *Review of NZDF Senior Officers' Overseas Travel*, 14 August 2001.

- 1.7 In 2001, the major general (equivalent) group consisted of four officers (CDF, CNS, CGS and CAS). In 2011, there are now six major general equivalent military officers, with the addition of VCDF and COM JFNZ. Two senior civil staff members, CFO and GMOS<sup>5</sup> now also equate to major general rank.
- 1.8 Although CFO and GMOS are major general equivalent, the NZDF applies to them the rules for brigadier equivalent officers. CDF, rather than the Minister, approves travel for these two officers.

*Policies–brigadier equivalent*

- 1.9 NZDF policy for the authorisation and management of overseas travel is contained in DFO 1. Non-operational travel is managed through the Defence Commitments Programme, which is a suite of six sub-programmes, each concerned with a category of overseas travel. Most travel by Senior Officers falls within the International Commitments Programme and the Visits and Conferences Programme. **Visits** are defined in DFO 1 as ‘the conduct of liaison with the purpose of obtaining new material or data, ascertaining attitudes or perspectives, or observing an activity or equipment.’ **Conferences** are defined as ‘the participation in or observation of an international forum at which matters are considered with a view to reaching a common agreement.’
- 1.10 HQ NZDF, HQ JFNZ, and the Services manage their own overseas travel programmes in accordance with Defence Commitments Programme policy.
- 1.11 Operational overseas travel for brigadier equivalent officers is endorsed by COM JFNZ and approved by CDF. Non-operational overseas travel is endorsed by the appropriate major general equivalent officer and approved by CDF.
- 1.12 Rules relating to travel entitlements, mode of travel, expenses and accounting are contained in a number of Defence Force Orders:
- a DFO 5–*Defence Force Orders for Entitlements to Pay Allowances and Expenses*. Contains instructions dealing with allowances; travelling expenses; allowances payable for Short Term Tours of Duty Overseas; and daily rates of allowances for overseas travel.

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<sup>5</sup> This position has been replaced by the Chief Operating Officer (COO). All the travel during the period was undertaken by GMOS.

- b DFO 36–*Defence Force Orders for Movements*. Contains instructions covering movement entitlement and authorisation; mode of transport for personnel; and airline club membership and use of air points.
  - c DFO 74–*Defence Force Orders for Accounts Payable Procedures*. Contains instructions covering management and control of corporate credit cards.
  - d DFO 77–*Defence Force Orders for Financial Management and Reporting*. Contains instructions on delegations of the authority to incur costs and authorise expenditure.
- 1.13 Unprogrammed travel to certain Australian destinations is treated as New Zealand domestic travel.<sup>6</sup> Expenditure on such travel is, however, recorded as Overseas Travel and Expenses for visibility and accountability.

### Scope and materiality

- 1.14 This review focussed on brigadier and above equivalent officers holding New Zealand-based appointments in HQ NZDF, HQ JFNZ, Defence Logistics Command and the Services.<sup>7</sup> The review examined travel undertaken between 1 July 2008 and 30 June 2011. During this period there has been an average of around 35 posts within the scope of the review. At the end of the period examined, there were:
- a 19 Regular Force posts (1 lieutenant general, 5 major general equivalent and 13 brigadier equivalent),
  - b 3 Non-Regular Force (all brigadier equivalents), and
  - c 13 civilian posts (2 major general equivalents and 11 brigadier equivalents).
- 1.15 The particular travel covered in this report is that which the NZDF defines as Short Term Tours of Duty Overseas. This travel covers most absences from New Zealand of 183 days or less.
- 1.16 The Short Term Tours of Duty which are the focus of this review include:
- a the International Commitments Programme;

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<sup>6</sup> DFO 9/2004 *Unprogrammed trans-Tasman travel*. The destinations are Adelaide, Melbourne, Canberra, Sydney, Brisbane and Darwin.

<sup>7</sup> Brigadier equivalent officers in overseas posts (such as the Heads of Defence Staff in Washington, London and Canberra) are not included.

- b visits that senior officers make to deployed formations, units, and personnel on operations or exercises;
  - c visits associated with acquisition activities; and
  - d visits which, although they may fit into one of the above categories, have arisen at short notice and are treated as unprogrammed visits.
- 1.17 Overseas travel by senior officers is a small part of the NZDF's overseas travel budget. Between July 2008 and June 2011 travel by senior officers cost on average around \$777,800 per year. This is 4.5 percent of the average NZDF annual overseas travel expenditure of approximately \$17.5 million.<sup>8</sup>

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<sup>8</sup> Overseas travel expenditure: FY 2008/09 \$17.3 million, FY 2009/10 \$18.7 million and FY 2010/11 \$16.5 million

## Section 2

### Major general (equivalent) and above

#### Introduction

- 2.1 We used the 2001 guidance as the basis for assessing travel by this group of officers, where that guidance remains relevant. Under the 2001 guidance, overseas travel is categorised as:
- a accompanying the Prime Minister or Ministers
  - b operational/tactical visits
  - c programmed visits
  - d defence diplomacy visits
  - e strategic/policy advisory visits.
- 2.2 These categories are still in use for classifying travel purpose.

#### *Amount and cost of travel*

- 2.3 During the review period officers of major general rank and above made 92 separate journeys to 127 destinations.<sup>9</sup> Often journeys which involved a number of overseas destinations also had more than one purpose. In comparison, during July 1997 to December 2000 the smaller number of officers in this group made 83 separate journeys to 135 destinations. Table 2.1 tabulates visit purpose by senior officer. Table 2.2 summarises the cost of those trips.
- 2.4 There has been little change in the number of journeys and destinations visited. The visits have been spread over the larger number of officers now included in this group. Trips undertaken in the 1997-2000 period cost \$985,262. Trips in the 2008-2011 period cost \$1,147,406:

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<sup>9</sup> This group of officers includes CDF, VCDF, COMJFNZ, CN, CA, CAF, CFO and GMOS. In 2001 it was four officers.

## Section 2 – Major general and above

Table 2.1 – Travel by officer and purpose (trips)

	ACCOMPANY PM OR MINISTER		OPERATIONAL/ TACTICAL		PROGRAMMED		DEFENCE DIPLOMACY		STRATEGIC POLICY/ ADVISORY		OTHER	
	1997- 2000	2008- 2011	1997- 2000	2008- 2011	1997- 2000	2008- 2011	1997- 2000	2008- 2011	1997- 2000	2008- 2011	1997- 2000	2008- 2011
CDF	-	14	5	1	12	-	21	9	6	14	-	-
CN	-	-	12		3	-	12	5	-	14	1	-
CA	-	-	12	1	4	-	18	11	5	4	-	-
CAF	-	-	7	2	4	-	12	6	1	7	-	-
VCDF	-	-	-	-	-	-	-	1	-	10	-	-
COMJFNZ	-	3	-	5	-	-	-	2	-	2	-	-
CFO	-	-	-	-	-	3	-	-	-	2	-	-
GMOS	-	-	-	-	-	-	-	-	-	11	-	-

Table 2.2 – Cost of Travel by officer and purpose (\$)

	PERIOD	ACCOMPANYING GOV GEN, PM/MINISTER	OPERATIONAL/ TACTICAL	PROGRAMMED	DEFENCE DIPLOMACY	STRATEGIC POLICY/ ADVISORY	OTHER (COMBINED PURPOSE OR UNKNOWN)	TOTAL
CDF	1997-2000	-	5000	86,340	123,384	52,060	10,050	276,834
	2008-2011	131,757	270	-	129,719	158,590	-	420,336
CN	1997-2000	-	28,311	65,402	166,077	-	32,544	292,334
	2008-2011	-	-	-	78,569	64,076	-	142,645
CA	1997-2000	-	33,107	9,533	63,343	-	167,235	273,218
	2008-2011	-	3,716	-	57,330	11,666	-	72,712
CAF	1997-2000	-	7,104	27,158	93,758	-	14,856	142,876
	2008-2011	-	18,840	-	52,190	48,253	-	119,283
VCDF	2008-2011	-	-	-	20,363	156,784	-	177,147
COMJFNZ	2008-2011	31,761	10,585	-	20,980	5,072	-	68,398
CFO	2008-2011	-	-	26,058	-	17,956	-	44,014
GMOS	2008-2011	-	-	-	-	102,871	-	102,871

### *Defence diplomacy visits by country*

2.5 The HQ NZDF Deputy Chief of Staff manages an annual senior officer defence diplomacy visits programme that is endorsed by CDF and approved by the Minister. The Minister separately approves opportunity or unprogrammed diplomacy visits. Defence diplomacy visits in the three years ending June 2011 were.

a	FY 2008/09	15
b	FY 2009/10	13
c	FY 2010/11	3

- 2.6 The decline in visits in the 2010/2011 year is due to an increase in the number of occasions where officers accompanied the Minister on trips in this category.
- 2.7 Policy guidelines recommend that for each visit conducted for defence diplomacy reasons, policy objectives must be prepared; an appropriate briefing provided; and a post-visit report completed indicating how the visit objectives were achieved. Copies of reports are to be provided to the Minister. This process is managed effectively through the office of the HQ NZDF Chief of Staff.

*Ministerial approval of visits*

- 2.8 Ministerial approval is required for non-operational visits by senior military officers. We found that the appropriate authority was obtained for each trip.

*Combining of visits*

- 2.9 Approximately a quarter of all trips involved more than one destination. In particular we noted that almost all defence diplomacy visits (except visits to Australia) involved multiple countries.

*Accompanying officers*

- 2.10 Policy guidelines recommend that officers should generally travel unaccompanied, and that travel with personal staff should be only in specifically approved, exceptional circumstances.
- 2.11 Table 2.3 shows details of travel with accompanying officers. The figures do not include trips where the officer (even if supported by his own staff) was accompanying the Prime Minister or Minister.
- 2.12 Over the 2008-2011 period major general (equivalent) officers travelled with staff on 50 of the 87 measured trips.<sup>10</sup> All the travel, including that of accompanying staff, was approved by the Minister (or by CDF in respect of CFO and GMOS).

<sup>10</sup> Note that the figures in Fig 2.4 do not match those in Fig 2.1. Fig 2.4 shows the number of complete trips, while Fig 2.1 shows the purpose of a trip. Some trips involve multiple purposes.

Table 2.3 – Travel with accompanying staff

	NO STAFF OFFICER		ONE STAFF OFFICER		TWO STAFF OFFICERS		THREE OR MORE STAFF OFFICERS		UNKNOWN	
	1997-2000	2008-2011	1997-2000	2008-2011	1997-2000	2008-2011	1997-2000	2008-2011	1997-2000	2008-2011
CDF	5	2	16	13	2	4	1	2	6	-
CN	-	11	11	6	3	2	1	-	3	-
CA	2	4	14	-	4	2	1	-	-	-
CAF	1	8	8	1	1	1	2	-	2	-
COMJFNZ	NA	2	NA	1	NA	4	NA	1	NA	-
VCDF	NA	-	NA	6	NA	2	NA	1	NA	-
CFO	NA	5	NA	-	NA	-	NA	-	NA	-
GMOS	NA	5	NA	4	NA	-	NA	-	NA	-

### *Accompanying partners*

2.13 The guidelines suggest that a partner should only travel with an officer at public expense in specifically approved, exceptional, circumstances. In appropriate situations partners may accompany senior officers at their own expense.

2.14 During the period 2008-2011 there have been only five accompanied trips. In all cases the officer concerned reimbursed the NZDF.

### *Other policy requirements*

2.15 The 2001 guidance included a number of further requirements. We comment on those below:

- a *no more than two of the four Chiefs should be out of New Zealand at the same time:*

There are six officers to whom this provision would apply.<sup>11</sup> We found only a small number of occasions when three officers have been absent from New Zealand at the same time. In each case, the outgoing traveller overlapped with an officer returning.

The HQ NZDF Deputy Chief of Staff tightly controls senior officer travel and we noted that the guidance about the absence of senior officers is rigorously applied.

<sup>11</sup> CDF, VCDF, COMJFNZ, CN, CA, CAF.



- b *attendance at international defence exhibitions will be limited to one officer on each occasion:*

This provision is being complied with. Seven international defence exhibitions were visited during the period.

- c *the Chiefs should undertake defence diplomacy visits primarily during the first two years of their tenure, and they should not undertake such visits in their final year.*

We were advised that this guideline has proven to be impractical and is no longer adopted.

- d *Defence Diplomacy visit should not normally exceed three days in country:*

Analysis of this guideline is difficult because of the lack of detailed programmes to separate out the time in individual countries; the combining of visits with different purposes; and uncertainty about travelling time. Almost all the defence diplomacy trips visited multiple countries and a breakdown was not readily available.

We note that defence diplomacy trips are carefully put together in collaboration with MFAT and the countries involved. We think the limit on time in country makes little sense and should be withdrawn.

- e *without Ministerial waiver, no officer should make more than two overseas visits per year not counting visits to Australia or visits to operational deployments.*

- 2.16 The Minister approves all non-operational trips to Australia. Over the three-year period we examined, senior officers made an average of four visits each. We would question the usefulness of this guideline.

### Comment

- 2.17 Such guidance as exists for overseas travel by major general (equivalent) officers is now ten years old. Over that period, the number of officers in this group has almost doubled. The NZDF should review and update the policies and guidance for travel by these officers.
- 2.18 Guidance for travel officers of major general rank and above should be promulgated in DFO 1.
- 2.19 We had difficulty in obtaining the data for this review. We note that essentially the same information is required to answer what has been a standard Foreign Affairs, Defence, and Trade Select Committee question for a number of years.

2.20 We were informed that the NZDF itself every year has difficulties in collating the necessary information. We were surprised that the NZDF does not have systems in place to capture this information during the year in a consistent manner. The present ad hoc compilation of information for the Select Committee may lead to inconsistencies and errors. A formal, systematic process for capturing and verifying data throughout the year should be introduced.

### Recommendations

- 2.21 It is recommended that the NZDF:
- a reviews the policies for overseas travel by officers of major general (equivalent) rank, and seeks Ministerial agreement to those policies;
  - b publishes the policies and procedures for major general equivalent officers in DFO 1. A stand alone DFO should be issued if inclusion into DFO 1 is likely to take time; and
  - c implements a formal, systematic process for capturing and verifying data on senior officer travel throughout the year.

## Section 3

### Brigadier (equivalent) officers

#### Introduction

- 3.1 This section examines travel by officers of brigadier (equivalent) rank.
- 3.2 No comparison between HQ NZDF, HQ JFNZ or the Services has been attempted. The Services have different numbers and types of units overseas, and different interests in procurement, international interoperability, support and training. In some instances, a Service may be represented by a colonel equivalent officer, who is outside the scope of this review, while another might utilise a more senior officer.
- 3.3 Of the brigadier (equivalent) posts in New Zealand, 16 are in HQ NZDF, 4 in the Army, 3 in HQ JFNZ, and 2 each in the Navy and the Air Force. These numbers include 11 civil staff officers.

#### Travel undertaken

- 3.4 During the three years to 30 June 2011, 27 individual brigadier (equivalent) officers made 187 visits to 31 countries. The majority of visits were to Australia (69), the United States (19), Singapore (17), Malaysia (14) and the United Kingdom (14).
- 3.5 New Zealand's close relationship with Australia and the Five Power Defence Arrangement leads to the high numbers of visits to Australia, Singapore and Malaysia. The numbers of visits to other frequently visited destinations such as the United States of America, and the United Kingdom are individually justified, with meetings and conferences being the most frequent reason for travel.
- 3.6 Table 3.1 shows the number of journeys undertaken by brigadier (equivalent) officers in each of the three years reviewed, and the cost of those journeys.

Table 3.1: Number of journeys and cost of brigadier equivalent overseas travel

	2008/2009	2009/2010	2010/2011
Journeys	52	58	44
Cost	\$492,238	\$376,913	\$317,694

- 3.7 The number of journeys in Table 3.1 (154) is less than the number of visits noted in para 3.4, as a number of journeys involved visits to several countries. The costs shown cover all known costs associated with overseas journeys including, for example, the costs of accompanying staff officers. No conclusions can be drawn from these figures. Visits and Conferences Programme budgets fund travel for all ranks, not just the senior officers who are the subject of this study. The actual distribution of travel between senior officers and others in any year will be dictated by the purpose of travel included in approved programmes and the rank or status of the person required to travel.
- 3.8 Table 3.2 shows the purpose of the journeys made by brigadier (equivalent) officers during the review period. The large number of programmed visits reflects the agenda-driven nature of the working group meetings which brigadiers attend.

Table 3.2: Journeys by brigadier equivalent by purpose for the period July 2008 to June 2011

<b>VISIT PURPOSE</b>	
Programmed (operational)	20
Programmed (non-operational)	144
Defence Diplomacy	2
PM or Min Accompany	14
Unprogrammed	7
<b>TOTAL</b>	<b>187</b>

## Conclusion

- 3.9 We assessed that travel by brigadier (equivalent) officers was controlled in accordance with appropriate policies. All travel by these officers is approved by CDF. The great majority of overseas travel is part of a formal programme.
- 3.10 We found no issues that needed to be highlighted or drawn to the attention of the Minister.