

Summary of Review Recommendations; and actions being taken to address them

Recommendation	Agree / Disagree	Implementation status
1. For future acquisition programmes, the risks of acceptance should be clearly identified and, as far as possible, quantified before the decision on acceptance is taken. Legal advice should be taken so that commercial risks can be taken into account.	Agree	Being implemented. Defence procedures and control documents will be revised accordingly.
2. Acquisition programmes should be reviewed to ensure that they are adequately staffed both in terms of size and specialist skills.	Agree	This has already been done. Two additional project managers have recently been appointed to the Acquisition Division and will start, if possible, before the end of 2008. A new Deputy Secretary (Acquisition) will take up his appointment shortly and will assess the overall resourcing of the Acquisition Division.
3. Commercial experts should be consulted on key correspondence with contractors and attend all key meetings with them.	Agree	Being implemented. Defence procedures and control documents will be revised accordingly.
4. Deputy Secretary (Acquisition) (Dep Sec(A) should (a) hold quarterly reviews with his Project Directors and (b) provide written reports on project progress, issues, risks and their mitigation to the Integrated Capability Management Committee (ICMC).	Agree	(a) Will be implemented. (b) Has already been implemented.
5. The ICMC should be tasked formally to review the progress of projects in the acquisition phase, noting that Dep Sec (A) remains responsible to Sec Def.	Agree	The Capability Management Framework will be revised to include a new mandate for the ICMC in empower it to review the progress of capability projects, as recommended by the Review.

6. CDF and Sec Def should issue a joint instruction to their staffs stressing the need to regard acquisition and in-service support as a continuum on which they should work together, and emphasising the importance of stakeholder management.	Agree	Being implemented.
7. The Naval Authority should be independent of the Chief of the Navy.	Acknowledged	The recommendation is being examined.
8. The Executive Capability Board (ECB) should include one or more non-executive directors, drawn from outside the MoD/NZDF, to provide independent expertise and challenge in the conduct of acquisition programmes.	Agree	Defence sees considerable merit in the recommendation and is considering how this might be done. Defence will assess ways of strengthening project governance with the assistance of external consultants.
9. For ship acquisition, consideration should be given to planning for an additional period of ship's trials with the purpose of system proving before the formal acceptance off contract.	Agree	Being implemented. Defence procedures and control documents will be revised accordingly.
10. An explicit responsibility for procuring safe equipment should be included in Acquisition Staffs' terms of reference.	Agree	Being implemented. Defence procedures and control documents will be revised accordingly.
11. The Design Authority role should be defined in future acquisition programmes.	Acknowledged	The recommendation is being examined.
Recommendations (specific to HMNZS CANTERBURY)		
12. Consideration should be given to entering into one or more arrangements for design support of the Protector Fleet to maintain the long term sustainability of the supplier base.	Agree	We accept and will address all the recommended remedial actions. The actual process by which remediation will be undertaken is still being worked through. It will be influenced in part by decisions yet to be taken in the context of current discussions with Tenix/BAE.

<p>13. To enhance the safe operation of the MRV:</p> <p>a) The ship designer should be requested to provide additional guidance to the RNZN on machinery configuration and preferred headings/speed in high sea states, both to minimise ship motions and to reduce the risk of the loss of propulsion when such conditions are encountered.</p>	Agree	As above
<p>b) The sea boats should be relocated or, if relocation is not practical, they should be provided with protection.</p>	Agree	As above
<p>14. To improve the functionality of the vessel:</p> <p>a) Advice from Lloyd's Register should be sought to secure Global Seas Operation for the desired operating profile.</p>	Agree	As above
<p>b) Additional ballast should be added to the ship to reduce vertical accelerations.</p>	Agree	As above
<p>c) Arrangements for ballasting the ship should be incorporated to maintain its design draught when lightly loaded.</p>	Agree	As above
<p>15. Assistant Chief Development (AC Dev) should be assigned formal responsibility for completing the work commenced on compliance of the Functional Performance Specification with the delivered ship.</p>	Agree	As above
<p>16. Work streams should be set up to implement the project management/governance recommendations in this report; implement a HMNZS CANTERBURY Get Well Programme, and develop a strategy for moving forward with Tenix.</p>	Agree	Warranty claims and the nature and cost of remediation are matters currently being discussed with Tenix/BAE. The contract requires Tenix/BAE to fix warranty problems.