

A MODERN, SUSTAINABLE DEFENCE FORCE MATCHED TO NEW ZEALAND'S NEEDS



Embargoed until 2.15pm, 8 May 2001

Questions and Answers

Broad defence issues

How were these decisions made?

These decisions are the result of a process that began with Parliament's Foreign Affairs, Defence and Trade Select Committee's report, *Defence Beyond 2000*. The Committee's report was based on wide public consultation and input from 1997-1999. It provided the foundation for *The Government's Defence Policy Framework* which was released in June 2000. The Framework outlined the government's goals and priorities for defence.

In June 2000, the government also released *Strategic Assessment 2000* prepared by the External Assessments Bureau (EAB), a unit of the Department of Prime Minister and Cabinet, and the Ministry of Foreign Affairs and Trade's *New Zealand's Foreign And Security Policy Challenges*. All four documents provided the guidance for the defence reviews which are the basis for these decisions.

What do these decisions mean for New Zealand's defence policy?

These decisions will ensure that the Defence Force is able to meet New Zealand's own defence and security objectives and to contribute effectively and appropriately internationally when it is deployed. This includes protecting New Zealand's territorial sovereignty, meeting shared alliance commitments to Australia, fulfilling obligations and responsibilities in the South Pacific as well as contributing to peace support and humanitarian relief operations further afield.

Do these decisions structure the NZDF for peacekeeping?

The Defence Force will continue to be trained and equipped to operate safely and effectively in both combat and peacekeeping operations.

What are the threats and security challenges New Zealand is likely to face?

The EAB's strategic assessment concluded that New Zealand is not directly threatened by any other country and is unlikely to be involved in a widespread

armed conflict. There is no country in the region, or further afield for that matter, with the capacity and will to threaten New Zealand directly.

The EAB assessment indicated, however, that New Zealand is likely to face low-level security challenges such as competition for marine resources in our Exclusive Economic Zone, the Southern Ocean and Antarctic waters. That is why the government has decided to enhance New Zealand's maritime surveillance coverage by improving the Air Force and Navy's maritime patrol capabilities and establishing the Maritime Co-ordination Centre at the new NZDF Joint Operational Headquarters at Trentham.

There are also likely to be a number of security challenges in the South Pacific and the wider Asia-Pacific region which New Zealand may become involved in, such as the ongoing peacekeeping operation in East Timor and Bougainville. New Zealand's involvement in these and earlier peacekeeping operations in Bosnia and elsewhere justify the government's decision to make rebuilding and re-equipping the Army a high priority. They also demonstrate New Zealand's willingness to contribute effectively and appropriately in the international arena.

Why is the Government increasing defence spending?

An increase in defence spending is necessary to address the critical equipment deficiencies in the Army, Navy, and Air Force and to ensure that New Zealand retains a modern, well-equipped Defence Force.

Net operating funding available for the Defence Force will increase by over \$300 million over the next five years and around \$700 million over the next ten years. It is estimated that up to one billion dollars capital injection will be required over the next ten years. Total capital investment over that period is likely to exceed two billion dollars

Have our friends and allies been informed?

The governments of Australia, Singapore, Malaysia, Thailand, the United Kingdom and the United States have been informed of these decisions. They accept that it is for New Zealand alone to make its own defence decisions and that these will be based on our assessment of New Zealand's defence and security needs and priorities.

What will these decisions mean for our ability to operate with our allies?

There is a range of equipment across the Army, Navy and Air Force which is old and needs to be either upgraded or replaced urgently. Providing the Defence Force with modern and upgraded equipment will ensure that its personnel can work effectively with the defence forces of other countries in the region, and, in particular, with Australia, our closest and most important defence partner.

Does local industry stand to benefit from any of the decisions?

As a result of these decisions, a number of studies will be conducted to decide the best way of replacing old equipment. Local industry will have the opportunity to tender for contracts.

What is the Government doing to manage the impact of these decisions on the people and communities affected by them?

The future of the serving and civilian members of the air combat force is a primary concern of the government. Managing the impact on RNZAF staff based at Ohakea is a high priority task for the Chief of Defence Force, Chief of Air Staff, and for the Minister of Defence.

Army Issues

What is the Government doing about the Army?

The Army's significant involvement in the ongoing peacekeeping operations in East Timor and Bougainville have highlighted the difficulties of being involved in two or more operations at the same time. To ensure that the Army can continue to provide this level of support in the future, the government intends to enhance the role of the Territorial Forces. Specialist Army personnel, such as artillery personnel, will also be used in infantry roles to increase the number of people that can be sent on these sort of operations. The Army will continue to be structured around two light infantry battalions.

Will there be employment protection for the Territorial Force?

A Bill to provide job security for Territorial Force personnel who serve with the Army on overseas operations is presently before Parliament's Foreign Affairs, Defence and Trade Select Committee. Although much work needs to be done on the details of the Bill, the government is keen to see appropriate legislation passed as soon as possible.

Is the Government buying more equipment for the Army?

As well as projects to acquire new light armoured vehicles (LAVs) and tactical communications equipment which are already underway, the government has approved the purchase of light operational vehicles (LOVs) to replace the Army's

Landrover fleet. Studies will also be completed to identify options to improve the Army's communication, intelligence, weapons and logistic support needs.

Will these decisions have an impact on any Army bases around New Zealand?

No.

Navy Issues

What decisions has the Government made about the Navy?

The Government has decided to conduct a review to identify the ideal composition of the Navy. New Zealand presently has three combat ships. *HMNZS Canterbury* is near the end of her useful life. Her replacement will be a multi-role, long range vessel. The review will focus on New Zealand's military and civilian maritime patrol needs, taking into account requirements for coastal and mid-range offshore capabilities. The role of the RNZN Volunteer Reserve will be addressed, and the review will look at the possibility of upgrading the missile capability of the naval helicopters.

The Government has also decided to sell *HMNZS Charles Upham* when she comes off charter in July 2001. Sealift will be provided through charter arrangements as it was during the deployments to Bosnia and East Timor.

The Government has decided to conduct a review to determine whether the Navy is the most appropriate provider of hydrographic survey. This decision follows the mid-1990s restructuring of hydrographic services to make them contestable, and the subsequent underfunding of the Navy to provide this service.

A review of the Naval Hospital at Devonport will also be conducted to determine its utility. The Hyperbaric Medicine Unit within the hospital is an essential operational capability and needs to be retained. The review will look at a suitable location for the unit if the hospital is closed.

What is the impact of these decisions on the roles and tasks of the Navy?

These decisions will make sure that the Navy has the necessary capabilities to do the roles and tasks required of it.

Why is the Government selling *HMNZS Charles Upham*?

The decision to sell *Charles Upham* is based on a study conducted last year to determine the Defence Force's sealift options. Four options were identified: reliance on commercial chartering, acquisition of a used military sealift ship, purchase of a new purpose-built ship, and modification of *Charles Upham*. The Bosnia and East Timor operations have shown that sealift provided by charter would meet our requirements in most situations.

Do these decisions have any implications for the Devonport Naval Base?

No.

Air Force

What decisions has the Government made about the Air Force?

The Government has decided to retain the Orion maritime patrol aircraft. A study will be conducted to determine the best option for meeting short and medium range patrol requirements, including the possible use of military aircraft. The possibility of equipping the Orions with a missile capability will be further investigated.

A study is being conducted into the feasibility of extending the life of the C-130s. This could be a more cost effective option than replacing the aircraft. A study will also be conducted to examine options for replacing the B-727s. The options include buying new or used commercial passenger/cargo aircraft, or leasing or chartering such craft.

A study will be conducted to identify options for upgrading or replacing the Iroquois helicopters which provide support to the Army and the civilian community in a wide number of roles.

The Government has decided to disband the air combat force at the end of this year. The air combat force consists of 17 A-4 Skyhawk aircraft and 17 Aermacchi jet training aircraft. Six of the Skyhawks are based at Nowra, Australia, providing training support to the Australian Navy, and the rest of the aircraft are based at Ohakea.

Why is the Government disbanding the air combat force?

A recent review of the air combat force determined that it has marginal utility against the requirements of the Government's Defence Policy Framework. The operating cost of the air combat force is around \$150 million annually, and the likely total cost of replacing the Skyhawks with a modern capability is in the region of one billion dollars.

What are the savings from disbanding the air combat force?

Disbanding the air combat force will produce savings of around \$870 million over the next 10 years. These savings will be retained within the NZDF's budget, and will contribute to rebuilding other capabilities.

What will happen to the Air Force's bases?

Disbanding the air combat force will create excess capacity at the Air Force bases at Whenuapai and Ohakea. A review will be conducted to identify options for the future of these airfields, including the possibility of consolidating the Air Force at Ohakea, and operating it, and possibly Whenuapai, as joint military/civilian facilities.

How will these decisions impact on Air Force personnel and what is being done to manage that?

Disbanding the air combat force will lead to a reduction in the total number of personnel in the Air Force. Further analysis will be required to determine the exact impact on personnel numbers. It is possible that skilled personnel associated with the air combat force could be used to fill vacancies in other areas of the Air Force. The Chief of Defence Force and the Chief of Air Staff will be developing a strategy to manage the personnel implications of this decision.