

Chapter 1

Executive Summary

Introduction

- 1.1 This is the first Defence White Paper in over a decade. It is a comprehensive document, which balances the Government's policy objectives, the strategic outlook, and the fiscal context.
- 1.2 The White Paper reflects the Defence Assessment which was earlier prepared by the Secretary of Defence. It has been shaped by extensive Ministerial consideration, and informed by public and academic consultation, and by the views of an independent advisory panel.
- 1.3 An independent Value for Money review (VfM) led by Dr Roderick Deane complemented the process. So, too, did separate Companion Studies on New Zealand's Defence Industry, Voluntary National Service, and the role of the New Zealand Defence Force (NZDF) in Youth Programmes and the New Zealand Cadet Force.

New Zealand's national security and defence

- 1.4 Acting in a lead role or in support of other New Zealand agencies, Defence contributes to the following national security interests:
 - a safe and secure New Zealand, including its border and approaches;
 - a rules-based international order which respects national sovereignty;
 - a network of strong international linkages; and
 - a sound global economy underpinned by open trade routes.

- 1.5 In a sometimes violent world there will be occasions when the use of military force is appropriate. It is likely that New Zealand would consider the possible use of military force in the following circumstances:
- in response to a direct threat to New Zealand and its territories;
 - in response to a direct threat to Australia;
 - as part of collective action in support of a member of the Pacific Islands Forum facing a direct threat;
 - as part of New Zealand's contribution to the Five Power Defence Arrangements (FPDA);¹ or
 - if requested or mandated by the United Nations (UN), especially in support of peace and security in the Asia-Pacific region.
- 1.6 It is also likely that ad hoc coalitions prepared to use force in response to security concerns will arise in the future, and that New Zealand might be asked to contribute. The Government would consider a range of factors in determining the possible scale and nature of any such contribution.
- 1.7 An international order based on values to which New Zealand is sympathetic has been of lasting benefit to us. Bilateral relationships, treaty commitments, and activities mandated by the UN are central to New Zealand's security. We also benefit from other linkages which build confidence and are consistent with the rule of international law. Sustaining such a range of international linkages involves obligations and takes effort.

New Zealand's strategic outlook to 2035

- 1.8 The next 25 years are likely to be more challenging than the 25 years just past.
- 1.9 The rules-based international order is under pressure. Key international institutions are struggling to forge consensus on a range of trans-boundary issues. Economic weight is shifting. New military technologies are emerging and the threat of proliferation is growing. Terrorism is a continuing challenge to state authority.
- 1.10 New Zealand and its associated states are highly unlikely to face a direct military threat over the next 25 years. But increased pressure on maritime resources and an increased risk of illegal migration are likely.
- 1.11 The outlook for the South Pacific is one of fragility. The resilience of Pacific Island states and the effectiveness of regional institutions will remain under pressure. With Australia, which will remain our most important security partner, we will continue to play

¹ The Five Power Defence Arrangements (FPDA) provide a framework for defence co-operation between Australia, Malaysia, New Zealand, Singapore and the United Kingdom, and came into being on 1 November 1971.

a leadership role in the region, acting as a trusted friend to our South Pacific neighbours.

- 1.12 The United States (US) is likely to remain the pre-eminent military power for the next 25 years, but its relative technological and military edge will diminish. Tensions related to the Korean Peninsula, Taiwan and the South China Sea will continue, as will pressure points in South and Southeast Asia. Security structures in the Asia-Pacific region will continue to evolve. The Middle East will remain a region of instability.

Tasks for the NZDF

- 1.13 Our security interests and the strategic outlook suggest that the principal tasks for the NZDF over the next 25 years will remain much as they have been, but potentially with intensified demands.
- 1.14 Tasks in and around New Zealand and the South Pacific will be the starting point for choosing the military capabilities of the NZDF. This means, with Australia, being able to deal with any reasonably foreseeable contingency in the South Pacific.
- 1.15 The capabilities required for the range of possible operations in our near region would also allow us to make a credible contribution to stability in Asia, as well as further afield.
- 1.16 The NZDF will need to remain interoperable with our principal partners. It will also need to be deployable, sufficiently self-reliant, versatile, and adaptable. Our international interests mean that the NZDF will retain the ability to contribute combat capabilities when required.²

The NZDF's military capabilities

- 1.17 This White Paper sets out a pathway to retain and enhance existing NZDF capabilities so it can perform the tasks expected of it to 2035.
- 1.18 To conduct such tasks, the NZDF will focus on deployable ground forces, strategic projection and logistic capacity, network-enabled intelligence, surveillance and reconnaissance capabilities, and capabilities able to fulfil a credible combat role.
- 1.19 It is proposed that the combat effectiveness, protection, sustainability, and mobility of land forces be improved, and that the critical enabling capabilities of long-range air and sea transport be maintained. These measures will allow the NZDF to deploy more troops on overseas operations, and for longer.

² 'Capability' is used to describe the personnel, equipment, platforms and/or other matériel that affect the capacity to undertake military operations.

- 1.20 It is also proposed that naval combat capabilities be upgraded, to ensure that the ANZAC frigates continue to provide a valued contribution to coalition operations. Short-range maritime patrol aircraft and satellite imagery are also part of the proposed force structure, to enhance New Zealand's domestic and regional border and maritime resource protection capability.
- 1.21 The result will be a future force structure which will see the NZDF retain and enhance its current mix of capabilities, enabling it to operate in places similar to where it is today, alongside current partners and friends.
- 1.22 Major capabilities such as air transport, maritime air surveillance, and naval combat (currently provided by the C-130 and P-3 aircraft and the two ANZAC frigates) will be replaced at the end of their life.

A people-centred NZDF

- 1.23 Heavy demands are placed on those in uniform. The NZDF must therefore continue to recruit people who are dedicated to service. It must train, retain, and develop them. It must provide support for their safety and welfare, especially on operations. And it must do these things in ways which are cost-effective and which anticipate the demands of tomorrow.
- 1.24 The NZDF will adopt a 'Total Defence Workforce' approach, better matching positions to skills, and enabling smooth transitions between uniformed, civilian, full-time, part-time, and private sector positions. The NZDF will also civilianise a significant number of posts currently filled by uniformed personnel who are not required to deploy operationally, thereby enabling it to shift uniformed personnel to the front of the organisation.
- 1.25 The State Services Commission and Treasury will help ensure that NZDF remuneration policies and practices, including allowances, are consistent with best practice in the state sector.
- 1.26 A review of the most cost-effective way for the Reserves to support NZDF operations will be presented in early 2011.

Infrastructure

- 1.27 This White Paper provides for a smaller, modernised and upgraded Defence estate, increased investment in routine maintenance, and a Defence-wide ICT (Information, and Communications Technology) strategic plan. These initiatives will reduce duplication and improve the focus of infrastructure investment.

- 1.28 The Defence estate will be overhauled, with a particular focus on consolidating bases (particularly by creating a joint Army and Air Force facility at Ohakea), optimising facilities and off-base housing (including by accelerating the sale of surplus stock), and exploring Public Private Partnerships.
- 1.29 Investment in corporate ICT systems will be essential to improving organisational performance and achieving savings, especially in logistics, human resources, and finance areas. This will be a particular focus of strategic leadership in the period ahead.

Affordability

- 1.30 The various initiatives set out in this White Paper will require additional operating and capital spending in order to maintain and enhance front line capabilities and infrastructure.
- 1.31 Given the Government's overall fiscal strategy, the NZDF will need to play its part over the long run to find the funding needed, by reprioritising and reallocating existing resources, and by prioritising the capability programme.
- 1.32 NZDF resources will be redistributed to sustain and build front line capabilities. This redistribution process is already underway, led by the Chief of Defence Force (CDF). The Government expects that by 2014/15 the NZDF will free up \$100 million from the Defence Transformation Programme and \$250 million to \$300 million from other VfM initiatives, on an annual recurring basis, for front line capabilities.
- 1.33 Cabinet will be presented with a detailed business case for each significant capital acquisition before it is finally approved. This means that Ministers will have opportunities at various steps in the process to test the need and composition of each proposed acquisition against the strategic and fiscal context.

Organisational reform

- 1.34 The organisational management of the NZDF will be improved by strengthening the authority and accountability of the CDF in his role as chief executive. A new position of Chief Operating Officer will be established to support the CDF in the organisational management of the NZDF and in the realisation of the Government's affordability objectives.
- 1.35 The Ministry of Defence and the NZDF will in future work together more closely on a wider range of tasks, including the whole-of-life management of military capabilities. The Secretary of Defence and CDF will be accountable for putting in place new organisational arrangements to achieve this. An independent Defence Advisory Board appointed by the Minister of Defence will also be established.

1.36 Information management will be enhanced and a new regime for the free exchange of information between the two organisations will be mandated and introduced.

1.37 The Ministry's policy and evaluation functions will be strengthened to enable it to undertake the wider range of tasks which will be expected of it.

Conclusion

1.38 The uncertain strategic outlook underscores the need for an NZDF which is responsive, versatile, and professional, able to conduct the range of tasks set for it by the Government, particularly in the South Pacific but also alongside partners and friends further afield. The fiscal outlook requires an NZDF which is affordable now and in the future.

1.39 The capability pathway which has been mapped out in this White Paper is an appropriate response to the strategic context. It will put the NZDF on a sustainable growth trajectory, and takes proper account of New Zealand's fiscal circumstance.



New Zealand Defence Force P-3 Orion patrolling the New Zealand Exclusive Economic Zone