
Preparing for an Uncertain Future: Force Structure Implications of the New Zealand Defence White Paper 2010

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The *Defence White Paper 2010* was conceived and written following the global financial crisis at a time when the world faces increasing strategic uncertainty. The White Paper recognises the challenges of the strategic and fiscal environment, and seeks to achieve a balance between strategic preparedness and fiscal prudence. This article examines the central elements of force structure encapsulated within the White Paper, setting out New Zealand's response preparedness for the next twenty-five years.

The 2010 New Zealand Defence White Paper sets the direction of the New Zealand Defence Force (NZDF) for the next twenty-five years. Through the policies set out in the White Paper the Government aims to not only retain the current capabilities of the NZDF across all three services, but to enhance them. This is to ensure that the NZDF is structured so that it can continue to meet the Government's current policy requirements and foreseeable future demands. This article explores the implications of the policies set out in the White Paper for the future force structure of the NZDF, examining both the foreseeable and aspirational force elements foreshadowed in the *Defence White Paper 2010*¹ and the *Defence Assessment*² of July 2010, and taking account of the *Value for Money Review*³ completed for the Government in July 2010.

The 2010 White Paper is the first New Zealand Defence White Paper since 1997. In undertaking a comprehensive review of defence policy and the defence capability requirements necessary to fulfil that policy, the National-led Government called for a Defence Assessment, and subsequently a companion value for money (VFM) study, to assist with developing the White Paper. The aim of the VFM study was to help identify those areas where substantial efficiencies could be made to ensure that the funding gap between defence funding baselines and projected defence costs could be narrowed. The study, undertaken by independent consultant Dr Roderick Deane, identified up to a total of NZ\$375 million of savings, which could be

¹ New Zealand Government, *Defence White Paper 2010* (Wellington: Ministry of Defence, 2010).

² New Zealand Government, *Defence Assessment July 2010* (Wellington: Ministry of Defence, 2010).

³ Roderick Deane, *Value For Money: Review of New Zealand Defence Force* (Auckland: Pacific Road Corporate Finance, 30 July 2010).

realised on an annual ongoing basis by financial year 2014/15, addressing the gap previously identified. The White Paper, unlike so many in the past, addresses financial issues in detail, and in the Foreword the Prime Minister highlights that financial sustainability is essential. Before going into detail to examine potential future developments raised by the White Paper, it is important to set these in the context of the Government's defence policy objectives.

New Zealand Defence Policy for the Twenty-First Century

New Zealand's defence policy objectives as set out in the White Paper are as follows:

- to defend New Zealand's sovereignty;
- to discharge our obligations as an ally of Australia;
- to contribute to and, where necessary, lead peace and security operations in the South Pacific;
- to make a credible contribution in support of peace and security in the Asia-Pacific region;
- to protect New Zealand's wider interests by contributing to international peace and security, and the international rule of law;
- to contribute to whole-of-government efforts at home and abroad in resource protection, disaster relief, and humanitarian assistance;
- to participate in whole-of-government efforts to monitor the international strategic environment; and
- to be prepared to respond to sudden shifts and other disjunctions in the strategic environment.⁴

In setting out these policy objectives, the Government goes on to clearly define the capability required.

The NZDF needs to maintain sufficient capability to deter aggressors from New Zealand's shores; to have the means to monitor and protect New Zealand's maritime area; and to be able to provide support to uphold New Zealand's interests in Antarctica.

New Zealand needs to make a credible contribution in support of Australia. Since the demise of ANZUS following the nuclear-free legislation passed into law by the Fourth Labour Government in the 1980s, the ANZAC relationship

⁴ New Zealand Government, *Defence White Paper 2010*, p. 37.

has assumed ever-increasing importance for New Zealand. Given more emphasis through the 1990s by the development of Closer Defence Relations, the ANZAC relationship has once more received increasing attention in recent times, with Prime Ministers and Defence Ministers from each country over the last two years highlighting the importance of closer defence relationships and seeking to develop an ANZAC Ready Response Force (RRF). The work undertaken to stand up a Pacific-focused RRF will be completed in March 2011, with NZDF personnel joining a Deployable Joint Forces Headquarters in Brisbane.⁵ The Australian White Paper of 2009 stressed that "Australia and New Zealand should look for opportunities to rebuild our historical capacity to integrate Australian and New Zealand force elements in the Anzac tradition."⁶ The New Zealand White Paper goes further and is unequivocal in the way the New Zealand Government views the relationship with Australia: "Australia is our principal defence and security partner. We have no better friend and ally ... We would therefore immediately respond to any direct attack on Australia."⁷ This sentiment is reinforced in the *Defence Assessment* which notes that "It is inconceivable that we would not respond were there to be a direct attack on Australia."⁸ Whilst there are significant differences in the level of capability each country enjoys, and that gap is likely to become larger over time, it is clear that Australia values the contribution that New Zealand makes to combined operations. In some areas New Zealand contributes fully twenty percent of available ANZAC capability.⁹ Maintaining the robustness of the relationship is clearly seen as a priority, and here again the *Defence Assessment* notes the importance of New Zealand maintaining a credible *combat* capability in support of Australia.

Contributing to international peace and security remains a cornerstone of New Zealand's defence and foreign policy, yet the Government sees the capability needed for operations in our near region allowing New Zealand the resources necessary to make a credible contribution to international operations. Fulfilling security obligations in New Zealand's maritime zone and in the South Pacific is where the focus of force development lies, together with meeting alliance commitments to Australia. Much has changed in the last decade and New Zealand no longer enjoys, if it ever did, a benign strategic environment. The White Paper makes the observation that given the uncertainty surrounding the strategic outlook over the next twenty-five

⁵ Wayne Mapp, 'Annual Meeting of ANZAC Defence Ministers', 10 February 2011, <www.beehive.govt.nz> [Accessed 11 February 2011].

⁶ *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Commonwealth of Australia, 2009), p. 98.

⁷ *Ibid.*, p. 18.

⁸ New Zealand Government, *Defence Assessment*, p. 25.

⁹ Presentation attached to Cabinet Strategy Committee Paper STR (10) 1, 12 February 2010.

years, “this is not a time to be reducing the utility of the NZDF, or narrowing the capabilities which can currently be provided.”¹⁰

The Middle Pathway

Already in February 2010 the Government’s attention had been drawn to three particular gaps that needed to be plugged: the Army was under pressure because of the tempo of operations; the ability to patrol New Zealand’s Exclusive Economic Zone (EEZ) and the South Pacific was limited by the lack of a short-range maritime patrol aircraft; and the frigates’ self-defence systems required an upgrade to ensure they remained effective and continued to be inter-operable with the Australians.¹¹

The *Defence Assessment*, which was published in July 2010, proposed three optional pathways for future NZDF capability development for Government consideration—Low, Middle and High. The Cabinet External Relations and Defence Committee had received a copy of the *Defence Assessment* in June 2010, which had noted that the current force structure and level of capability (suitably upgraded) provided the minimum necessary capability to carry out Government policy. Based on the *Assessment* the observation was that the Middle pathway would best prepare and equip the NZDF to meet the strategic challenges foreseen in the *Assessment*. The *Value for Money Review* demonstrated that it was possible to afford the Middle pathway if the savings identified in the *Review* were realised.

Force Structure Implications

Whilst perhaps one of the most striking features of the White Paper is the focus on the financial sustainability of the NZDF and the implementation of many of the *Value for Money Review* recommendations, many of the recommendations of that Middle pathway have been encapsulated in the White Paper. In the Preface Wayne Mapp, the Minister of Defence, summarises where the foci of development for the future NZDF will be. A new approach will be taken to managing both the civilian and military workforce of NZDF. Army is to grow at the front end so that its combat effectiveness and sustainability can be enhanced. Air and sealift capabilities are to be improved, and the ANZAC frigates are to be upgraded so that they can continue to offer a viable combat capable platform as a contribution to coalition operations. Intelligence, surveillance and reconnaissance (ISR) capabilities are to be significantly improved, with new satellite capabilities, improvements to ISR systems on current platforms, and a new short-range maritime patrol aircraft. What follows are the potential implications of each of these changes and enhancements for force structure.

¹⁰ New Zealand Government, *Defence White Paper 2010*, p. 43.

¹¹ Presentation attached to STR (10) 1, 12 February 2010.

Total Defence Workforce

That the NZDF on operations is effective is not in question. As Dr Deane notes in the *Value For Money* report:

By international standards the NZDF is small but 'in the field' it is ably led, well trained, in the main well equipped, highly professional, able readily to work closely with our military partners, and respected by them.¹²

What he also notes is that by international comparison New Zealand has a relatively low proportion of deployable personnel, but of those who can be deployed a high percentage (12.8 percent) are on deployment compared with the McKinsey twelve country comparison figures he used, where the average was 5.3 percent.¹³ Dr Deane notes that 55 percent of operating expenditure is required for what he terms the back and middle offices, with 45 percent for the front line, but observes that most defence forces have an imperative to spend more on front line operations rather than support functions. Here he sees a clear opportunity for greater efficiency in the NZDF, and that a re-prioritising of support functions would allow for greater policy options.

The White Paper introduces the concept of 'The Total Defence Workforce', where in future any person across NZDF, be they uniformed or civilian, full or part-time, will be able to apply for any non-deployable role. Dr Deane makes much of the fact that uniformed personnel are more expensive than civilians by, on average NZ\$23,015 per annum.¹⁴ He also notes that current military personnel numbers are significantly greater than the minimum number of Personnel Required in Uniform (PRU) using the DR 09 Capability Bricks analysis that was used for the *Defence Assessment*.¹⁵ Using this analytical tool, Dr Deane calculated that there was an opportunity to civilianise up to 2000 positions across NZDF.

The White Paper itself made no mention of specific numbers, noting only that, "The NZDF will also civilianise a significant number of posts currently filled by uniformed personnel who are not required to deploy operationally".¹⁶ However, the Cabinet Strategy Committee which met on 3 September 2010 noted documents attached to Paper STR (10) 11 which indicated that a figure of 1400 positions (rather than the 2000 recommended by Dr Deane) should be civilianised.

¹² Deane, *Value For Money*, pp. 40-41.

¹³ *Ibid.*, p. 47.

¹⁴ *Ibid.*, p. 117. (This figure though was revised to \$18,500 in the White Paper.)

¹⁵ *Ibid.*, p. 119.

¹⁶ New Zealand Government, *Defence White Paper 2010*, p. 12.

Future Workforce Development

As at 1 January 2011 the NZDF had available to it a total workforce of 14,584. This was made up of 9587 Regular Force, 2378 Reserve Forces, and 2619 civilian personnel. When Dr Deane undertook his analysis he used a figure of 9836 Regular Force personnel of which he estimated 7740 were PRU (Personnel Required in Uniform) to ensure enough deployable personnel to meet the Government's policy requirements. This left a balance of 2096, hence his recommendation to civilianise 2000 positions.

Dr Deane had identified the greatest opportunity for civilianisation within Navy and Air Force. By his own calculations, concurring with the findings of the *Defence Assessment*, Army required 5423 uniformed personnel—some 564 personnel more than Army had available to it on 1 January 2011. The White Paper recognises this shortfall and commits to an increase in front line Army personnel noting that, “At present, the deployment of land forces is limited by personnel numbers”.¹⁷

Dr Deane also saw significant opportunities for developing greater value for money from the Reserve Forces. In referring to the Reserves, he pointed out that in fact he was talking about part-time members of the NZDF (not the Strategic Reserve, where former members of the Regular Force may be called upon for duty). These part-time members belong to the Royal Naval Volunteer Reserve, The Territorial Force of the New Zealand Army, and the Royal New Zealand Air Force Territorial Reserve. Totalling a strength of 2378 personnel, Dr Deane observed that generally part-time force members are comparatively expensive to support, with small numbers deploying each year; eighty-eight Army Territorials deployed last year. Nonetheless it should be noted that the Territorial Force has provided a welcome surge in the past; for example 400 troops to Timor Leste in 2002. Notwithstanding this, the White Paper notes that the annual cost of Reserve Forces is greater than that expended by 2/1 Battalion RNZIR based at Burnham, the Army's light infantry battalion. The White Paper goes on to note that modernisation of the current Reserve Forces is necessary, and the Chief of Defence Force is to provide the Government with a report by the end of March, which will make recommendations about the future structure of the Reserves so that they can provide the most effective support to the Regular Force.

Future Force Structure Capability

The *Defence White Paper 2010* envisages the need for a:

¹⁷ Ibid., p. 51.

future force structure which will see the NZDF retain and enhance the current mix of capabilities, enabling it to operate in places similar to where it is today, alongside current partners and friends.¹⁸

In order to achieve this the focus will be on deployable ground forces supported by naval and air strategic and tactical lift; significantly enhanced ISR capabilities; and the retention and enhancement of combat capabilities, including a significant upgrade of the ANZAC frigates.

NEW ZEALAND ARMY

Reflecting the Government's imperative for a sustainable, combat capable Army, Army will be strengthened so that there will be sufficient numbers of troops for the deployment of a Combined Arms Task Group (CATG) of up to 800 personnel capable of mid-intensity combat, sustainable for up to three years with six, six-month rotations. In fact Army's Objective Deployable Force 2015 envisages the availability of both the CATG and a light task group (LTG) of up to 500 personnel for stability operations.¹⁹ Under the Middle pathway, the *Defence Assessment* saw Army Regular Force numbers increase to 5400. (Significantly the *Assessment* saw Territorial Force numbers increase to 4400.) The increase in Army strength would allow for an increase in combat numbers so that a third manoeuvre unit could be formed, deemed necessary to provide the degree of sustainability envisaged. Lieutenant General Rhys Jones, now Chief of Defence Force confirmed "part of our growth in the future is to stand up a third battalion HQ which will be Queen Alexandra's Mounted Rifles ... and then we will 'grow' the companies."²⁰ Land Combat Support elements will be increased with specialist construction and combat engineer squadrons, and along with this will be the development of a third Land Combat Service Support Group.

Recognising the high tempo of Special Forces (SAS) operations, there is likely to be an increase in the number of recruits into the SAS. In addition one infantry company is to be enhanced to support Special Forces. Army has provided a number of Ranger courses in the recent past, but it remains to be seen what shape and identity this enhanced Company will take. Capability expectations will in fact increase across the Army says General Jones.

We are also going to do a lot more special operations tasking. A light infantry platoon is going to be expected to do a lot of things that specialised units do in other military forces. Our benchmark is the US and UK marines rather than 'line' organisations.²¹

¹⁸ Ibid., p. 12.

¹⁹ 'Parting Shot', *Land Warfare International*, December 2010, <www.shephard.co.uk/magazines/land-warfare-intl/14> [Accessed 15 February 2011].

²⁰ Ibid.

²¹ Ibid.

The need for fire support and protected manoeuvre is recognised with a commitment to replacing existing light guns and mortars, whilst a modestly reduced Light Armoured Vehicle (LAV) fleet, down to ninety from 105 will be upgraded as operational commitments require in order to ensure that they can operate in higher threat environments.²²

In addition there is to be investment in a battlefield Command and Control System, and replacement of the Army's large fleet of General Service Vehicles. Related also to land combat capabilities is the recognition that deployable health facilities need to be improved, and a Forward Surgical Team is to be established and resourced from within NZDF, most likely involving Territorial Force members.

ROYAL NEW ZEALAND NAVY

Whilst the White Paper acknowledges that high-end combat capabilities are increasingly beyond the modest means of New Zealand, it nonetheless recognises that New Zealand has some high-end capabilities, which should be maintained in order to provide a meaningful combat contribution. Amongst these capabilities are the ANZAC frigates *Te Kaha* and *Te Mana* which will receive a sensor and self-defence upgrade which will allow them to contribute in mid-intensity conflict situations. Whilst no date for the upgrade is signalled in the White Paper, and an official Capital Investment Plan is yet to be published, the supporting documents provided to Cabinet prior to the sign-off of the White Paper gave an indicative time-frame of 2015–2016 for what could be a \$500 million upgrade.²³

Naval helicopters are a significant force-multiplier for the frigates, and a review is to be undertaken to determine whether the five Kaman SH-2G Super Seasprites of Naval Support Flight (No. 6 Squadron RNZAF) should receive a mid-life upgrade, due by 2015, or be replaced.

There is importantly a commitment signalled to replacing the frigates at the end of their life (2025–2030) and there have already been indications that Australia and New Zealand have undertaken discussions in the United Kingdom with regards to the Future Surface Combatant (FSC) programme for the Royal Navy.²⁴ Notably the *Defence Assessment* observes that cost pressures may force navies to develop more cost-effective combat capable ships in future, vessels that would have the necessary range and sea-keeping qualities that New Zealand waters demand. In the light of this it is

²² This has already been the case with the LAVs which have been deployed to Afghanistan since November 2009 in support of the SAS, for which they received a \$400 000 survivability upgrade. Patrick Gower, 'Foreign Troops Label SAS Vehicles "Unsafe for Duty"', 2 March 2010, <www.3news.co.nz> [Accessed 13 February 2011].

²³ Presentation attached to STR (10) 11, 3 September 2010.

²⁴ Andrew Chuter, 'Royal Navy Gets Green Light on Frigates, Subs', 25 March 2010, <www.defensenews.com/story.php?i=4554683&c=POL&s=TOP> [Accessed 31 January 2011].

important to observe that the second element of the FSC is a general-purpose warship, which is now in the concept-planning phase. Nevertheless, undoubtedly New Zealand will need to liaise with Australia over the proposed replacement capability. Some \$2.6 billion has been indicated as the potential minimum replacement cost for the frigates,²⁵ and a future purchase is likely to engender considerable debate within New Zealand, as has been the case with major military purchases in the past.

Somewhat less contentious will be the replacement of the Fleet Replenishment Ship HMNZS *Endeavour*. Commissioned in 1988 *Endeavour* has supported the frigates on global deployments, most recently to Asia and North America in 2010. This vessel will no longer be compliant with international maritime regulations beyond 2013 and will need to be replaced, possibly with a more capable multi-role vessel which could provide sealift as well as replenishment at sea. This would be to supplement the sealift capabilities provided by HMNZS *Canterbury*, which is rapidly proving to be a vessel with significant utility in the region.²⁶ The lack of strategic sealift was highlighted by the *Defence Assessment* and this lack has now been exacerbated by the difficulties the RAN has faced recently with its heavy lift ships, with the announcement on 1 February 2011 that the amphibious ship HMAS *Manoora* was to be immediately scrapped, and that her sister ship *Kanimbla* could soon follow.²⁷ HMNZS *Canterbury* is to be factored into the new ANZAC Ready Response Force, and again a commitment has been made to replace her at end of life.

Canterbury was one of seven vessels ordered in the last decade under Project Protector. The other vessels recently brought into service under Project Protector are the 55 metre Inshore Patrol Vessels (IPVs) *Rotoiti*, *Hawea*, *Pukaki* and *Taupo*; and the Offshore Patrol Vessels (OPVs) *Otago* and *Wellington*. Not unlike the proposed Australian Offshore Combatant Vessels, at 85 metres and 1900 tonnes, fitted with a helicopter deck and hangar these two vessels are only slightly smaller than the frigates. Ice strengthened they are designed for patrol duties from the deep southern Ross Sea up into the Pacific Islands. Despite some initial teething problems, all six of these vessels have added significant capability to the patrolling of New Zealand's EEZ.²⁸ The White Paper emphasises the importance of surveillance and patrol within New Zealand's maritime zone and into the Southern Ocean and consideration is being given to enhanced sensors and

²⁵ Presentation attached to STR (10) 11, 3 September 2010.

²⁶ This has been brought home in poignant fashion with the crucial supporting role *Canterbury* has played in the aftermath of the devastating Christchurch earthquake of 22 February 2011.

²⁷ Stephen Smith MP, Minister of Defence, 'Team of Experts to Plan Way Forward on Amphibious Ships Fleet', <www.minister.defence.gov.au/Smithtpl.cfm?CurrentId=114581anMcPhedran> [Accessed 7 February 2011].

²⁸ HMNZS *Wellington* returned to New Zealand on 3 March following successful sea trials in the Southern Ocean and the Ross Sea, operating along the Antarctic coastline. <www.nzdf.mil.nz/news/media-releases/2011/20110301-atfnns.htm> [Accessed 4 March 2011].

upgraded armament for the patrol fleet. Here again the Government have indicated that the vessels will be replaced at end of life. Whilst the introduction of the patrol vessels has significantly enhanced surveillance in New Zealand's maritime zone, maximising their utility has been hindered by the lack of a wide-area surveillance network. This is to be remedied by the introduction of a satellite imagery capability and the enhancement of the National Maritime Coordination Centre.

The remaining capabilities that need to be replaced in the near future are those provided by the ships HMNZS *Manawanui*, the Navy's current mine counter measures and diving support ship, and HMNZS *Resolution*, the Navy's hydrographic survey vessel. These vessels will be replaced by a single hull which will provide the littoral capabilities necessary for a modern navy. Whilst the two current ships have been successful workhorses for the Navy, the White Paper sees them being replaced by a vessel with significantly more speed to increase its utility in supporting operations.

The Royal New Zealand Navy has now developed the most versatile fleet it has had in over half a century; the recommendations in the White Paper will help ensure that that development continues.

ROYAL NEW ZEALAND AIR FORCE

The Royal New Zealand Air Force is currently undergoing the largest renewal and refurbishment programme it has seen since the 1960s. Twenty-eight new or upgraded aircraft are expected to be in service by 2014. Eight NH 90 medium utility helicopters and five A 109 light utility helicopters (LUH) are in the process of being delivered. The first A 109s are due at Ohakea Air Force Base in April 2011, with the first NH 90s arriving from mid-year.

When the announcement of the purchase of the NH 90s and A 109 LUHs was made, whilst acknowledging the step change in capability offered especially by the NH 90, there was some concern at the impact of the reduction in the number of airframes available. Thirteen airframes were to replace the fourteen Iroquois UH 1H and five Sioux training helicopters. Under the Middle pathway recommended by the *Defence Assessment*, three commercial off-the-shelf A 109s would be bought, with the five military specification aircraft fitted with self-protection and possibly armed. The *Defence White Paper 2010* confirmed that there would be additional A 109s.²⁹ The increased capability provided by the new helicopters will significantly enhance tactical lift for land forces.

Strategic lift is an important contribution made by the RNZAF to the ANZAC relationship, and the Australian—New Zealand Airlift Agreement, first initiated at the trans-Tasman Defence Ministers' meeting in 2009 has

²⁹ New Zealand Government, *Defence White Paper 2010*, p. 49.

continued to produce a more efficient and effective ANZAC airlift capability.³⁰ The first of the upgraded (Life Extension Project) C-130 Hercules was delivered in October 2010, and when the project is completed the five aircraft are expected to serve until approximately 2020, at which point they will be replaced with a similar, or better, platform. The two B757 aircraft provide a significant and flexible strategic airlift capability, though following the *Value for Money Review* the future of these aircraft is to be reviewed, and a study undertaken to determine the appropriate mix of platforms for the ultimate replacement of both C130s and B 757s.

The White Paper has placed great emphasis on the importance of improved ISR capabilities across the NZDF, and the RNZAF will see an increase in capability in this area. The first P3-K2 Orion aircraft are expected to undergo Operational Testing and Evaluation in 2011 following a major systems upgrade. The Project Guardian upgrade will see the six P3-K2 aircraft amongst the most advanced maritime and land surface ISR platforms available. What has become clear though is that over the past decade the aircraft's sub-surface capability has degraded, and the White Paper notes that following completion of the current upgrade the aircraft may be fitted with modern anti-submarine sensors and electronic self-protection. The White Paper adds that this will result in "improving their combat capability and enhancing the ability of New Zealand to contribute more robustly to global efforts".³¹

A decade ago the *Maritime Patrol Review* found that a ten-fold increase in aerial patrol was necessary to fulfil all of New Zealand's civil surveillance needs. No action has been taken until now to rectify this position, but the White Paper recognises the importance of this lower-end capability for both Defence and other agencies, and has recommended the introduction of a short-range maritime patrol aircraft "as soon as practicable".³² This aircraft could also provide a light tactical transport function, something which has been lacking since the Andovers were withdrawn in 1998, and:

To maximise its cost-effectiveness, this new aircraft would also be expected to perform a ... multi-engine flying training and consolidation function as currently provided by the B200 King Air.³³

In addition to the new aircraft and systems described here, a study is currently being undertaken to determine the appropriate options for advanced pilot training. With the cessation of fast-jet training with the disbandment of the Aermacchis in 2001, there has been some suggestion that Kiwi pilots might train in Australia. In January 2011 the Minister of Defence Wayne Mapp indicated that officials were working on a paper which

³⁰ Mapp, 'Annual Meeting of ANZAC Defence Ministers'.

³¹ New Zealand Government, *Defence White Paper 2010*, p. 53.

³² *Ibid.*

³³ *Ibid.*

was reviewing a number of options. "There is a hole and the hole could be filled in a variety of ways", Dr Mapp said. "We could do [an aircraft] lease deal, we could do a [training] deal with Australia, which obviously has some attractions, and we're looking at those options right now."³⁴ The study is due to be completed in the first half of 2011.

Conclusion

The *Defence White Paper 2010* sets out the strategic direction for the NZDF for the next twenty-five years. The Government is clear that it requires an effective combat capable Defence Force which can protect New Zealand's interests close to home, serve as a valuable ally of Australia, and retain an expeditionary capability which the Government can deploy in support of international peace and security. The Government is equally clear that, whilst Defence will need future capital injections, Vote Defence is not going to be significantly increased and that efficiencies must be found internally to help ensure that the future Defence Force can be realized. Dr Roderick Deane in the *Value for Money Review* indicated that 'closing the gap' between projected expenditure and future income was possible, yet no one expects it to be easy.³⁵ Nevertheless the Government has committed to retaining and developing the current range of capabilities in ways which can ensure sustainability well into an increasingly uncertain future. These major capability developments can be summarized as follows:

Combat Capability:

- increased Army strength with three manoeuvre groups as well as combat support and combat service support elements;
- enhanced Special Forces together with an enhanced infantry company in support;
- self-defence upgrade of the ANZAC frigates and replacement at the end of their life with an equivalent combat capable ship.

Intelligence, Surveillance and Reconnaissance Capability:

- the acquisition of a new shorter range maritime air patrol capability as a matter of priority;

³⁴ John Hartevelt, 'Air Force May Send Pilots to Australia for Training', *The Dominion Post*, 8 January 2011, p. 5.

³⁵ Following the devastation caused by the Christchurch earthquake on 22 February 2011, and the announcement of a potential reconstruction bill of NZ\$16 billion, the fiscal challenge will be even greater. It is clear that the Government will have to bear a significant proportion of the rebuilding costs. 'Quake to Cost Insurers up to \$16 Billion', *New Zealand Herald*, 2 March 2011, <www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10709757> [Accessed 9 March 2011].

- the acquisition of a satellite imagery capability;
- P3 Orion fleet enhanced, possibly with new anti-submarine sensors and self-protection and replaced at the end of the aircraft's life; and
- possible sensor and weapons upgrade of the Inshore and Offshore patrol vessels and replacement at the end of their life.

Support Capability:

- eight NH90 and eight A109 helicopters, of which five A109 are to be upgraded with self- protection and possibly armed;
- continuing development of HMNZS *Canterbury* to fully release capability and a replacement for her at the end of her life;
- replacement for the C130 fleet at end of life with equivalent or enhanced capability;
- review of strategic jet transport capability;
- in the near term a more versatile replacement for HMNZS *Endeavour*;
- a Forward Surgical Team capability.

These developments will see a future New Zealand Defence Force with greater depth, providing greater utility for New Zealand, and able to contribute meaningfully to the ANZAC partnership, the region, and globally.

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