

HON RON MARK, MINISTER OF DEFENCE

Singapore Proposal to Base F-15 Fighter Jets at Ohakea Base – 2018 Cabinet Documents

May 2019

These Cabinet documents set out the key background information and decisions on the Singapore Proposal. In May 2018, Cabinet: noted the results of the work programme to assess the risks and benefits for New Zealand of Singapore's proposal to base F-15 fighter jets at Ohakea Air Force Base for training purposes; and directed officials to explore the issue further and to report back on the results of this work, including advice on possible alignment between any new option and the Singapore – New Zealand Enhanced Partnership. In December 2018, Cabinet noted that the proposal to base Singapore F-15s at Ohakea has reached a conclusion.

The pack comprises the following documents:

- December 2018 Cabinet minute: *Singapore Proposal to Base F-15 Fighter Jets at Ohakea Air Base: Further Report* [ERS-18-MIN-0027]
- Cabinet paper: *Singapore Proposal to Base F-15 Fighter Jets at Ohakea Air Base: Report Back to Cabinet* [ERS-18-SUB-0027]
- May 2018 Cabinet minute: *Singapore Proposal to Base F15 Fighter Jets at Ohakea Air Force Base* [ERS-18-MIN-0009]
- Cabinet paper: *Singapore Proposal to Base F15 Fighter Jets at Ohakea Air Force Base* [ERS-18-SUB-0009]

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The annex to the May 2018 Cabinet paper is withheld in full, consistent with the above provisions.

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Where information has been withheld in accordance with section 9(2) of the Act, no public interest has been identified that would outweigh the reasons for withholding it.



Cabinet External Relations and Security Committee

Minute of Decision

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Singapore Proposal to Base F-15 Fighter Jets at Ohakea Air Base: Further Report

Portfolios Foreign Affairs / Defence

On 4 December 2018, the Cabinet External Relations and Security Committee (ERS):

- 1 **noted** that on 8 May 2018, ERS:
 - 1.1 noted the results of the work programme to assess the risks and benefits for New Zealand of Singapore's proposal to base F-15 fighter jets at Ohakea Air Force Base for training purposes;
 - 1.2 directed officials to explore the issue further and to report back on the results of this work, including advice on possible alignment between any new option and the Singapore - New Zealand Enhanced Partnership;

[ERS-18-MIN-0009]
- 2 **noted** that, on the basis of officials' findings from the assessment of the Ohakea proposal, and the factors Singapore articulated during the meeting between Minister Mark and Minister Ng, the proposal to base Singapore's F-15s at Ohakea has reached a conclusion;
- 3 s6(b)(i)
- 4 **noted** s6(a) a decision not to proceed with the proposal will not impact on New Zealand's strong bilateral relationship with Singapore;
- 5 **noted** that officials will develop options for bilateral defence engagement with Singapore to keep the relationship contemporary;
- 6 **noted** that the Minister of Defence will direct officials to pursue short-term detachments to New Zealand by Singaporean fighter aircraft, s6(a)
- 7 **noted** the air base capacity constraints faced by the Royal New Zealand Air Force (RNZAF) that have been highlighted by the work to assess the F-15 proposal;

Janine Harvey
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters (Chair)
Hon Grant Robertson
Hon Andrew Little
Hon David Parker
Hon Sturt Nash
Hon Ron Mark

Hard-copy distribution:

Minister of Foreign Affairs
Minister of Defence

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Ministry of Foreign Affairs and Trade
Ministry of Defence
New Zealand Defence Force

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Chair, External Relations and Security Cabinet Committee

SINGAPORE PROPOSAL TO BASE F-15 FIGHTER JETS AT OHAKEA AIR BASE: REPORT BACK TO CABINET

Purpose

To update Cabinet on the outcome of Singapore's proposal to base its F-15 fighter jets at Ohakea; and, respond to Cabinet's request in May to report the results of further work on other options for hosting the F-15 training detachment in New Zealand.

Background

2. In 2016 Singapore asked New Zealand to consider the possibility of the Republic of Singapore Air Force (RSAF) engaging in fighter jet training in New Zealand. The proposal involved a long-term deployment (s6(b)(i)) of s6(b)(i) RSAF F-15 fighter jets and s6(b)(i) personnel based at RNZAF base Ohakea. Personnel would be accompanied by their families and live in the surrounding community on a s6(b)(i) rotation.

3. On 14 May Cabinet (CAB-18-MIN-0210) considered the results of a cross-agency work programme that assessed the risks and benefits for New Zealand of Singapore's proposal to base F-15 fighter jets at Ohakea for training purposes. We have been highly supportive of this proposal, noting the numerous strategic and foreign policy benefits it could bring. However, the advice provided by officials has stated that, overall, the benefits are mixed. The summary of key findings includes:

3.1. The **strategic assessment** was marginally in favour of the proposal but strongly in favour on foreign policy grounds, based on our shared strategic interests in the region and the bilateral relationship benefits of agreeing to this proposal.

3.2. The **Economic, Environmental and Social Impact Study** found small potential long-term economic benefits for the Manawātū region, but identified a number of potential negative environmental impacts.

3.3. The study assessing the **potential impacts for NZDF**, raised significant issues from NZDF's perspective with respect to the capacity to absorb a significant foreign fighter jet presence on base, without an effect on operations, flight safety, and future flexibility, and long-term future costs to government. s6(a)

4. In addition to the points listed above, having the Singaporean F-15s based at Ohakea would generate potentially significant engagement and training opportunities with the NZDF. s6(a)

5. Given the above results, Cabinet noted in May that officials concluded that the risks of Singapore's proposal to base its F-15s at Ohakea outweighed the benefits; and directed officials to explore the issue further, including whether other practical options exist for hosting the F-15 training detachment in New Zealand. This included [redacted] s9(2)(f)(iv) as well as possibilities for regular short-term deployments of F-15 Eagle and F-16 Fighting Falcon detachments to New Zealand (CAB-18-MIN-0210 refers).

6. Officials undertook a desktop study to explore the feasibility of these options. The work concluded that, for New Zealand, [redacted] s9(2)(f)(iv) located near a small city or large town, would be a better option than at an existing busy airport (which would cause significant disruption to existing operations), but there were adverse impacts with all options considered. [redacted] s9(2)(f)(iv) would also be possible but could represent a [redacted] s6(b)(i) investment and would require a resource consent process.

7. Modified military options were also part of the study, including expanding the size of Ohakea through the purchase of land. Defence officials were of the view that acquiring more land would not address the fundamental operational and airspace constraints [redacted] s6(a) identified in the previous assessment. The NZDF assessed that the challenges that come from mixing non-complementary platforms (high performance fighter jets, helicopters and elementary pilot training aircraft) within the same airspace remain. Building a new air base at Waiouru to accommodate the F-15s was also considered, and found to be theoretically possible, but also requiring investment.

8. The Mayors of the Manawatu expressed (and continue to express) strong support for seeing the Singaporean F-15s located at Ohakea, seeing economic benefits from the location of the [redacted] s6(b)(i) Singaporean personnel and their families in the region. They engaged directly with the Singaporean High Commission to communicate their support.

9. At the ASEAN Defence Ministers' Meeting-Plus in October the Minister of Defence met his Singaporean counterpart, Minister Ng Eng Hen. Minister Mark explained that there were some challenges with respect to basing the F-15s at Ohakea and asked whether Singapore might be interested in alternate locations, such as a new base, purpose built for the F-15s, or co-location on an existing civil airport. [redacted] s6(b)(i)

[redacted] s6(b)(i) signalled Singapore's cost and logistics constraints. [redacted] s6(b)(i)

10. [redacted] s6(a), s6(b)(i) a decision not to proceed with the proposal by New Zealand would not impact the bilateral relationship, demonstrated by the recent announcement by the respective Prime Ministers on the side-lines of the East Asia Summit.

Comment

11. On the basis of the advice of officials on the assessment of the Ohakea proposal, and the factors Singapore articulated [REDACTED] s6(b)(i) officials have come to the view that the current proposal to base Singapore's F-15s at Ohakea has reached a conclusion.

12. We have asked officials to actively seek other opportunities for bilateral defence engagement with Singapore. [REDACTED] s6(a)

[REDACTED] We want to ensure New Zealand is actively working to generate new defence and security initiatives that will continue to strengthen the relationship and keep it contemporary.

13. In particular, this paper notes that the Minister of Defence will direct officials led by the Ministry of Defence, the NZDF and the Ministry of Foreign Affairs and Trade to pursue regular short term deployments of Singaporean fighter aircraft, as occurred in New Zealand in September 2017 [REDACTED] s6(a)

[REDACTED] These short-term deployments would occur at Ohakea Air Base. The NZDF would accommodate the deployments by adjusting RNZAF operating and training schedules temporarily.

14. We believe that there are advantages to Singapore from training its fighter jets in New Zealand. [REDACTED] s6(a)

In addition, hosting short-term Singaporean fighter jet deployments would generate significant training and engagement opportunities for the NZDF – enhancing the overall strength of the bilateral defence relationship.

15. Throughout the assessment of the Singapore F-15 proposal, the Minister of Defence has thoroughly tested the assumptions underlying the official advice regarding operational constraints at Ohakea Air Base. This has been not only with a view to accommodating the Singaporean F-15s, but also to ensure the NZDF's ability to operate a range of aircraft is protected in perpetuity.

16. It is clear that there are significant capacity constraints faced by the RNZAF on its air bases that have worsened over the decades as air bases have been closed. This will only be exacerbated over time by the operating constraints around Whenuapai Air Base due to existing planning limitations and ongoing urban encroachment. It suggests that the NZDF would be increasingly reliant on Ohakea as the principal air base, over both the period covered by the Defence Capability Plan, and the much longer term.

17. [REDACTED] s9(2)(f)(iv)

Consultation

18. Ministry of Business, Innovation and Employment; Treasury; the Department of the Prime Minister and Cabinet (Security and Intelligence Group) and the Department of the Prime Minister and Cabinet (Policy Advisory Group); and the Ministry for the Environment.

Financial Implications

19. There are no financial implications arising from this paper.

Human Rights

20. There are no human rights implications arising from this paper.

Legislative Implications

21. There are no legislative implications arising from this paper.

Gender Implications

22. There are no gender implications arising from this paper.

Publicity

23. Local and international coverage of the proposal has been limited, and broadly neutral. Once the Cabinet process has been concluded, the Minister of Defence proposes to engage with local mayors to inform the Sanson and Bulls communities, in particular, of the reasons for the outcome. The Ministers of Foreign Affairs and Defence will consider any proactive media releases on the proposal.

24. Once this process is complete, officials will prepare the four Cabinet papers relevant to this proposal for proactive release.

Recommendations

25. We recommend that the Committee:

1. **Note** that on the basis of officials' findings from the assessment of the Ohakea proposal, and the factors Singapore articulated during the meeting between Minister Mark and Minister Ng, the proposal to base Singapore's F-15s at Ohakea has reached a conclusion;

2. [Redacted] s6(a), s6(b)(i)

3. **Note** [Redacted] s6(a) a decision to not proceed with the proposal will not impact on our strong bilateral relationship;

4. **Note** that officials will develop options for bilateral defence engagement with Singapore to keep the relationship contemporary;
5. **Note** that the Minister of Defence will direct officials to pursue short term detachments to New Zealand by Singaporean fighter aircraft, [REDACTED] s6(a) [REDACTED]
6. **Note** the air base capacity constraints faced by the RNZAF that have been highlighted by the work to assess the F-15 proposal; and
7. [REDACTED] s9(2)(f)(iv) [REDACTED]

Authorised for lodgement

Rt Hon Winston Peters
MINISTER OF FOREIGN AFFAIRS

Hon Ron Mark
MINISTER OF DEFENCE

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Cabinet External Relations and Security Committee

Minute of Decision

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Singapore Proposal to Base F15 Fighter Jets at Ohakea Air Force Base

Portfolio Foreign Affairs, Defence

On 8 May 2018, the Cabinet External Relations and Security Committee:

- 1 **noted** the results of the work programme to assess the risks and benefits for New Zealand of Singapore's proposal to base F-15 fighter jets at Ohakea Air Force Base for training purposes:
 - 1.1 Economic, Environmental and Social Impact Study;
 - 1.2 NZDF Impacts Study;
 - 1.3 [REDACTED] s6(a)
 - 1.4 Strategic Assessment;
- 2 **noted** that the long-term economic benefits of hosting the F-15s are small (s6(b)(i) to s6(b)(i) million), but that there will be a significant cash injection into the economy during the construction phase (s6(b)(i) to s6(b)(i) million);
- 3 **noted** the environmental impacts, including due to aircraft noise and pollution from fuel emissions and operations;
- 4 [REDACTED] s6(a)
- 5 [REDACTED] s6(a)
- 6 **noted** that the foreign policy benefits of hosting the F-15s are assessed as significant;
- 7 **noted** that Defence officials' conclusions are that the risks of Singapore's proposal to base its F-15 Eagle fighter jets at Ohakea Air Force Base for long-term training purposes nevertheless outweigh the benefits;
- 8 **directed** officials from Defence, MFAT and other relevant agencies to explore the issue further, including whether other practical options exist for hosting the F-15 training detachment in New Zealand, [REDACTED] s9(2)(f)(iv), as well as possibilities for regular short-term deployments of F-15 Eagle and F-16 Fighting Falcon detachments to New Zealand;

- 9 **agreed** that officials will report the results of this work to Cabinet in August 2018, and include advice on possible alignment between any new option and the Enhanced Partnership;
- 10 **agreed** that officials will advise Singapore that Cabinet has requested further work on the F-15 proposal, with a report back to Cabinet on the results of that work due in August 2018, after which New Zealand's decision will be communicated to Singapore.

Vivien Meek
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters (Chair)
Hon Kelvin Davis
Hon Grant Robertson
Hon Andrew Little
Hon David Parker
Hon Stuart Nash
Hon Ron Mark

Hard-copy distribution:

Minister of Foreign Affairs
Minister of Defence

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for ERS
Office of the Deputy Prime Minister

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Chair,

External Relations and Security Cabinet Committee

SINGAPORE PROPOSAL TO BASE F-15 FIGHTER JETS AT OHAKEA AIR FORCE BASE

Proposal

To present the results of a work programme to assess Singapore's proposal to base F-15 fighter jets at Ohakea Air Force Base; and to either direct officials to undertake further work on alternative options, or to agree not to proceed with the proposal.

Executive Summary

2 In 2016 Singapore asked New Zealand to consider the possibility of the Republic of Singapore Air Force (RSAF) engaging in fighter jet training in New Zealand. The proposal involves a long-term deployment (s6(b)(i)) of s6(b)(i) RSAF F-15 fighter jets and around s6(b)(i) personnel based at Ohakea for training, and living with their families in the surrounding community on a s6(b)(i) rotation.

3 As a small island nation, Singapore has very limited airspace in which to conduct military flying training s6(b)(i)

s6(a)

4 A cross-agency programme of work, led by Defence, to assess the benefits and impacts of the proposal has comprised four streams:

- An Economic, Environmental and Social Impact Study;
- A study to consider the potential impacts on NZDF;
- s6(a)
- A strategic assessment.

5 s6(a)
The Economic, Environmental and Social Impact Study found small economic benefits for the Manawatū region, but identified a number of negative environmental impacts. Only the strategic assessment found in favour of agreeing to host the F-15s at Ohakea, on the basis that it would strengthen New Zealand's relationships with Singapore and other close partners in the Asia-Pacific region.

6 Key findings include:

Economic - the initial construction phase (which could see s6(b)(i) to s6(b)(i) million of economic benefit^[1] across two to three years), although this would unlikely be

[1]^[1] This estimate is heavily sensitive to an economic multiplier. Multiplier analysis is used to trace expenditure impacts through an economy. However, it is not without limitations, particularly in terms of assumptions of fixed relationships between and free availability of inputs, and the lack of price changes. These factors mean that multiplier analysis often faces claims of overstated impacts. It is difficult to be specific about the presence or extent of overstatement, but some analysis (NZIER) has suggested it may be as much as 40 per cent. (Sapere,

solely focused on the Manawatū-Whanganui region. However, long-term the proposal would deliver only relatively small economic benefits for the region (to ^{s6(b)}_(i) million per annum). While the short-term cash injection looks lucrative the benefits would not be enduring.

The Ministry for Business, Employment and Innovation (MBIE) concluded that the proposal would contribute to some of the Government's regional economic development objectives but not others. It would create new economic activity around the construction phase but this may impact on other economic activities in the region and it might be counter to the aim of ensuring environmental sustainability.

Environmental - Noise from the fighter jets, one of the loudest aircraft in the world, would be a significant environmental impact, and would also have both economic and social implications. Other environmental impacts include pollution from additional fuel emissions and expended munitions.

NZDF operations

^{s6(a)}

Ohakea is increasingly the principal operating air base and the only one with potential to accommodate future capabilities or changes in operational requirements. The type of aircraft involved, and the scale of the Singapore proposal, would place significant constraints on airspace and land available for NZDF use.

^{s6(a)}

^{s6(a)}

Strategic - A separate strategic assessment came down in favour of hosting the F-15s. The strategic assessment identified a significant foreign policy benefit if New Zealand hosted the F-15s,

^{s6(a), s6(b)(i)}

The assessment judged that these benefits were not in themselves sufficient to justify agreeing to the proposal. Officials note that foreign policy benefits, due to their intangible nature and longer-run effects, are difficult to compare with other factors weighing against the proposal.

7 Consistent with the many strategic interests New Zealand and Singapore share, both countries agreed last year to negotiate an Enhanced Partnership agreement, which would lift our cooperation across a range of areas including

'Economic, Environmental and Social Impact Study', March 2018)

security and defence. It is the result of both countries recognising the need to work more closely together as two small, s6(a) countries in the Asia-Pacific. If progressed, this proposal would become a key element of the defence and security pillar. s6(a)

[Redacted]

8 [Redacted] s6(a)

The unique nature of Ohakea as the NZDF's principal air base has highlighted the need to preserve options to use the base for future capability change or consolidation. The F-15 proposal would seriously reduce these options. Furthermore, the magnitude of the proposal is such that officials recommend Cabinet set a high threshold for approval.

9 It is therefore recommended that Cabinet either decline Singapore's request to base F-15s at Ohakea Air Base and direct officials to explore alternative options for hosting long and short-term training detachments; or, alternatively, agree the proposal should not proceed.

Background

Regional Strategic Context

10 Singapore is a small, prosperous island-city state, with a modern defence force, technology-based economy, and resilient political structures. Singapore has been a consistent advocate for regional stability. It is well-placed as a trading hub, in a region of key strategic interest for New Zealand. Our free trade agreement (the 2000 Closer Economic Partnership) was Singapore's first and our second, after CER with Australia; and we have enjoyed a warm connection stretching back to Lee Kuan Yew (PM Lee's father) and Walter Nash in the late 1950s. s6(a)

[Redacted]

11 [Redacted] s6(a)

Singapore and New Zealand are both active members of the Five Power Defence Arrangement and the Association of Southeast Asian Nations (ASEAN) Defence Ministers' Meeting-Plus. New Zealand participates in a range of 'ASEAN-centric' fora, such as the East Asia Summit and the ASEAN Regional Forum, that ensure our voice is heard and we are able to protect and promote our national interests. Singapore is the rotating chair of ASEAN for 2018 s6(a)

[Redacted]

12 The ASEAN Defence Ministers' Meeting-Plus (ADMM+) aims to enhance regional security through closer integration, and is the main mechanism for working with Defence partners in the region, including the United States, Australia and China. s6(a)

[Redacted]

s6(a)

13 New Zealand's bilateral relationship with Singapore is strong and mutually beneficial.

s6(a)

Bilateral goods and services trade in 2017 was valued at \$4.1 billion, making Singapore our 6th largest trading partner. Singaporean Foreign Direct Investment (FDI) in New Zealand was valued at NZ\$4.6 billion in March 2017, making Singapore our 5th largest source of investment.

New Zealand-Singapore Defence and Security Relationship

14 The New Zealand-Singapore defence relationship is mature and we have long standing experience working together. Our armed forces exercise and train together regularly, building on a strong history. In May 2009 we signed a Defence Cooperation Arrangement formalising our close defence ties. Strong defence and security diplomacy architecture is in place with regular Minister to Minister, Chief Executive and working level meetings.

s6(a)

s6(a)

15 The Republic of Singapore Armed Forces has conducted artillery training in New Zealand since 1997: Exercise Thunder Warrior. Our exercise programme is comprehensive, spanning bilateral and regional activities.

16 Singapore and New Zealand also have common interests in the broader international security context: both support the rules-based international order and both are active in the United Nations. Singapore actively deploys its Armed Forces, and has deployed with New Zealand in coalition military operations, as demonstrated by deployments to Timor-Leste, Afghanistan, and ongoing counter-piracy commitments around the Horn of Africa. Most recently, New Zealand assisted Singapore in the lead-up to its deployment to Taji in Iraq.

Singapore's Motivation

17 With a total land area of only 719 square kilometres, Singapore has very limited airspace in which to conduct military flying training

s6(b)(i)

18

s6(b)(i)

19

s6(b)(i)

s6(b)(i)

s6(a)

Operational Detail

20 The aircraft involved is the F-15SG 'Strike Eagle', an American multi-role strike fighter. The aircraft can carry air-to-air missiles, a 20 millimetre cannon, and a variety of bombs and precision guided ground-attack weapons. The aircraft is powered by two engines with 29,400 pound-force of thrust each (to compare, the A-4K Skyhawk previously operated by the Royal New Zealand Air Force utilised a single engine generating 9,300 pound-force). The twin-engine Strike Eagle is significantly louder than the Skyhawk. It can operate at up to 70,000 feet altitude and is a supersonic aircraft, capable of flying over two and a half times the speed of sound (over 3,000 kilometres per hour).



21

s6(b)(i)

22

s6(b)(i)

While flights s6(b)(i) would have little impact on the local community, the take offs and landings would still cause significant levels of noise. s6(a), s6(b)(i)

23

The proposal would require the development of facilities at Ohakea, s6(a)

Singapore would be co-located but separate to the Royal New Zealand Air Force's operations. Facilities would need to be developed to include:

- a hangar;
- aircraft parking areas with shelters;
- an operations/headquarters building;
- an engine ground-running facility;

s6(b)(i)

- an extension to the Ohakea runway to accommodate a fully-laden F-15 jet.

Infrastructure Design and Cost Assessment

24 Beca Ltd was commissioned by NZDF, on behalf of Singapore, to undertake a costed infrastructure design for the proposal. A substantial part of the work considered the range of options to extend the existing runway at Ohakea, given that its length is currently too short to meet the RSAF's operational requirements for the F-15. The estimated cost for the infrastructure development, including an extension to the eastern end of the main runway at Ohakea, is approximately s6(b)(i) million. Some land acquisition adjacent to Ohakea would be required to accommodate the runway extension, as well as a further four properties that sit within the most extreme noise boundary identified by the noise assessment.

25 [Redacted] s6(a)
[Redacted] s6(b)(i)
[Redacted] s6(a)

Analysis

Summary of Assessment

26 The **Economic, Environmental and Social Impact Study** found small long-term economic benefits for the Manawatū region, but identified a number of negative environmental impacts. The findings of this work alone are insufficient to support a positive or a negative response to Singapore.

27 The **strategic assessment** finds marginally in favour of the proposal but strongly in favour on foreign policy grounds, based on our shared strategic interests in the region and the bilateral relationship benefits of agreeing to this proposal. If the proposal were assessed on its contribution to New Zealand's political and strategic interests alone, then this might support a positive response to Singapore.

28 The study assessing the **potential impacts for NZDF**, however, raises significant issues with respect to [Redacted] s6(a)

[Redacted] s6(a)

Economic, Environmental and Social Impact Study

29 The Economic, Environmental and Social Impact Study conducted by research consultants, Sapere Research Group, found the proposal would bring a significant short-term economic benefit during the initial construction phase of s6(b)(i) to s6(b)(i) million, although this would unlikely be solely focused on the Manawatū-Whanganui region (the per capita GDP of the Manawatū-Whanganui region was 25% below the national average in 2016). The estimate is heavily sensitive to a significant multiplier, which reflects the flow on effects commonly experienced in large scale

construction projects (estimated actual capital cost of construction is approximately s6(b)(i) million). While the initial cash injection looks lucrative, the benefits would not be enduring and may displace other construction activity. For instance, the previous "Project Takitini" construction of helicopter hangars and support facilities at Ohakea, which cost around \$135 million (in 2008 dollars), has not notably altered the region's economic fortunes.

30 However, the study found only small long-term economic benefits flowing from the proposal for the region¹, past the initial construction phase. Over a s6(b)(i) outlook (and beyond), the economic benefits are assessed to be relatively small (s6(b)(i) to s6(b)(i) million per annum). s9(2)(g)(i)

31 The F-15 squadron would require an additional s6(b)(i) million litres of fuel per annum. The annual profit for existing fuel companies (currently Air BP) would therefore be expected to increase by almost s9(2)(b)(ii). This would be transported to Ohakea by trucks.

- *Noise*

32 The F-15 is one of the loudest aircraft in the world and the noise from the fighter jets would have a significant environmental impact. Noise is considered to have a potentially far-reaching long-term impact. General research identifies negative impacts from noise on wellbeing (annoyance), health outcomes, education outcomes for children, property values, and potentially frightened/disturbed livestock.

33 Recorded annoyance from flights appear to be related to the maximum noise level of events, rather than the frequency of the events. This is directly relevant to this proposal, given the high levels of noise produced by the F-15. Acoustics experts concluded that at least 75% of Sanson properties, as well as the local school, would require acoustic insulation, although this would not fully eliminate noise impacts. s6(b)(i)

34 These impacts would be intensified for NZDF personnel and their families working and living on base. The buildings on base would be in a noise zone where the New Zealand Standard would ordinarily recommend purchase of the dwellings as they would no longer be deemed habitable. This is not an option for operational buildings and barracks, hence the cost of noise insulation to partially mitigate the noise effect on base has been estimated at \$24 million.

- *Pollution*

35 Fuel emissions would be 'additional but small' compared to that of other airports, although emission levels associated with the additional s6(b)(i) million litres of fuel would be a significant increase locally, and add to New Zealand's overall total emissions. Although this would not address actual local effects it would be possible, in principle, to require Singapore to offset its emissions as part of any foundation agreement. Other local environmental effects would likely include impacts on air quality, wildlife, land use, and water and soil quality but this was out of scope for the Impact Study and would need to be investigated in more depth should the proposal proceed.

36 F-15 operations would also see a new source of potential pollution with s6(b)(i) tonnes of expended materials from aircraft countermeasures entering the environment per year (compared with s6(a) tonnes associated with aircraft countermeasures per annum by the RNZAF). s6(a), s6(b)(i)

This material is mainly small plastic components that would enter the sea off the east coast of New Zealand.

37 A full consent process which accounts for all of the environmental impacts, including land use, would need to be undertaken prior to the proposal proceeding. There is no certainty around the length of time or the outcome of this resource management process.

- *Social Impacts*

38 There could be some pressure on accessibility to housing and health facilities in the area that are reported to be at or over capacity at present. Resolution of these issues would be dependent upon the ability of the market to respond to the requirements of the s6(b)(i) Singapore service personnel and their s6(b)(i) family members. No concerns were raised around the social integration of the Singaporean personnel and their families into the community.

Impacts on New Zealand Defence Force operations

39 s6(a)
Singapore would become the largest operation on base by a big margin. The flight safety implications of mixing trainee pilots flying aircraft and helicopters with Singaporean high-performance fighter jets will require NZDF aircraft to 'stay well out of the way' in order for Singapore to operate. s6(a)

40 Ohakea is increasingly the principal operating air base for the NZDF. It is a key component of the NZDF 'hub' in the Manawatū alongside the Army's major formation at Linton Camp, and is near Waiouru. It is the closest air base to HQNZDF in Wellington, and HQJFNZ at Trentham. s6(a)

The only other NZDF operating air base is Whenuapai, with a limited runway length. This operational constraint, and Auckland's population growth, will place increasing pressure on the range of military operations that can be conducted from Whenuapai in future, and will only make Ohakea more critical. s6(a)

41 s6(a), s6(b)(i) New Zealand does not have a range of air bases on which it can accommodate Singapore whilst retaining flexibility for NZDF capabilities. s6(b)(i)

Airspace and Land Space

42 Airspace constraints present a significant issue for the proposal, even if the land area of Ohakea were to expand. It is highly unusual and challenging to mix high performance fighter jets, helicopters and elementary pilot training aircraft within the

same airspace². Singapore's F-16 'Fighting Falcon' [redacted s6(b)(i)] at Ohakea in September 2017 confirmed the integration of a high performance fast jet squadron into Ohakea airspace would create tension with existing flying training and operations, and would increase flight safety risks. Attempts at mitigation of these risks would result in significant inefficiencies for NZDF operations, particularly negatively impacting training times and costs.

43 Additionally, Singapore requires space for low level flying training with the F-15s. In most countries space for this is set aside for military-only operations. In New Zealand, the NZDF shares this airspace with civilian aircraft (topdressing aircraft, general aviation), operating on a 'see and be seen' principle. [redacted s6(b)(i)]

44 As with airspace, the multi-use of Ohakea for fixed wing training, helicopter operations [redacted s6(a)] leaves a relatively small amount of land for future NZDF development or consolidation of other activities. Singapore's F-15 operation would absorb a substantial proportion of that available space, significantly removing NZDF's scope to utilise Ohakea for future requirements. [redacted s6(a)]

- *Operating costs*

45 [redacted s6(a)]

46 [redacted s6(a) s6(b)(i) s6(a)]

- *Benefits*

47 There would be no real benefits for NZDF flowing from the infrastructure upgrades that Singapore would need to make at Ohakea. Even if New Zealand purchased a new capability such as the P8 surveillance aircraft presently under consideration, a longer runway is not required to support this. Singapore has costed infrastructure that is scaled to meet its needs alone, and it would be its intent to occupy that infrastructure for [redacted s6(b)(i)].

48 The basing of the F-15s at Ohakea may provide some opportunities for joint training with the New Zealand Army and Navy. However, the benefits are assessed as minimal – noting the rate of effort and costs to New Zealand are yet to be negotiated with Singapore – and would not negate New Zealand's need to access overseas training to gain formal accreditation roles from international partners.

[redacted s6(b)(i)]

2 When NZDF operated Skyhawk jet aircraft at Ohakea all training and operational helicopters were still located at Hobsonville in Auckland.

s6(b)(i)

s6(a)

Strategic and Foreign Policy Considerations

55 In a separate study, officials assessed the impact of the proposal on New Zealand's strategic and foreign policy interests. The assessment weighed the benefits against the strategic risks – independent of other benefits and risks covered in the other work streams. The assessment concluded that the perceived benefits and costs are finely balanced. It judged that, purely strategically, the factors considered come down in favour of hosting the F-15s

s6(a)

s6(a)

56

s6(a)

57 The study further assessed that there would be a significant foreign policy benefit from hosting the F-15s. But this proposal is not the only vehicle to achieve a contemporary defence relationship, and the potential bilateral relationship benefits alone would not constitute a strong case for the proposal. s6(a)

The New Zealand-Singapore defence relationship is already strong, and this prospers within a wider relationship context that delivers particularly strong benefits if refreshed and broadened in ways regarded by both countries as innovative and ambitious.

58

s6(a)

Enhanced Partnership

59 In 2017 New Zealand and Singapore agreed, between Prime Ministers and Foreign Ministers, to negotiate an Enhanced Partnership (EP). The EP contains four pillars of activity: trade and economic; defence and security; people to people links; and research, technology and innovation. In all four pillars, both countries are seeking to achieve higher standards of cooperation and integration s6(a)

. In this respect, if the benefits of the proposal were assessed to outweigh the risks, taking the unprecedented step of hosting the F-15 contingent would be consistent with this higher level of ambition.

60

s6(a)

Geostrategic Outlook

61 Given the possible [redacted] s6(b)(i) timeframe of this arrangement, there could be shifts in regional geostrategic dynamics during that period, and both countries' defence postures and regional positioning could change. [redacted] s6(a)

62 [redacted] s6(a)

63 [redacted] s6(a)

Financial Implications of Accepting the Proposal

64 There would be financial implications attached to accepting the proposal. [redacted] s6(a)

[redacted] Singapore has not provided details of its operating and support requirements, so any financial implications of the ongoing operational costs at this point have not been determined. [redacted] s6(b)(i)

65 [redacted] s6(a)

[redacted] Indirect costs would include an estimated \$24 million for noise insulation of working buildings and accommodation on Ohakea Air Base, [redacted] s6(a)

[redacted] The inefficiency in the NZDF flying training programme that would be generated by accommodating the F-15 operation would see costs increase in contracted support for training aircraft and increased personnel numbers and hours worked. The scale of this has not been assessed.

66 The Defence appropriation currently does not allow for any long-term operational support to be provided to Singapore to the degree this proposal would require nor the substantial indirect costs to NZDF. [redacted] s6(a)

[redacted] should Ministers agree to pay a contribution toward the infrastructure or other longer term costs, Defence would need to seek additional funding.

67 If Singapore's occupation of space at Ohakea created a requirement for the NZDF to invest in alternative estate or infrastructure elsewhere in future, this would have significant financial implications for New Zealand. This is a key consideration

s6(a)

Community Support for the Proposal

68 Local mayors have been strong supporters of the proposal, based on an early s9(2)(g)(i) assumption that it would bring significant economic gain to the region. The wider community appear to have been generally supportive, although the trial F-16 exercise in September 2017 generated some negative comment around the noise impact.

69 Given the noise disruption from the F-15s, should the proposal proceed the NZDF would need to manage its relationship with the community carefully. s6(b)(i)

due to noise impacts, and District Plans would record the wider noise effects. The community has not yet been engaged on how this would affect either their land values or their quality of life.

70 The recent discovery of the presence of per- and poly-fluoroalkyl substances (PFAS, a chemical compound historically found in firefighting foam) in the local environment as a result of historical NZDF use at Ohakea raised concern about the safety of local water supply and quality of soil. Locals are very concerned about the reputational damage to the quality of local produce and livestock due to PFAS contamination. The investigation into contamination has put a significant strain on NZDF's longstanding relationship with the local community. Although local Mayors are still enthusiastic about the proposal, residents' tolerance of local Defence operations has diminished and the noise impact of the F-15s is expected to exacerbate this.

71 NZDF have had some engagement with local iwi to advise them of the infrastructure study. Should the F-15 proposal proceed, further engagement with local iwi and other agencies would be required to assess the potential impacts on Treaty of Waitangi principles.

Possible Alternatives for the F-15 Proposal

72 We recommend that Cabinet direct officials to identify possible alternatives for hosting the F-15 training detachment in New Zealand. s9(2)(f)(iv)

exploring whether purchasing new land to expand Ohakea Air Force Base could address the issues identified with respect to airspace, land space, operational pressures s6(a)

73 s6(a)

74 The investigation would also consider possible alignment between the F-15 proposal and the Enhanced Partnership; as well as other training options with

Singapore, including regular short-term deployments of F-15 Eagle and F-16 Fighting Falcon training detachments to New Zealand.

Consultation

75 Ministry of Business, Innovation and Employment; Treasury; the Department of the Prime Minister and Cabinet (Security and Intelligence Group) and the Department of the Prime Minister and Cabinet (Policy Advisory Group); Ministry for the Environment; Ministry of Education; Ministry of Health, [REDACTED] s6(a) and the Ministry of Transport (Civil Aviation Authority) have been consulted on this paper.

Financial Implications

76 There are no financial implications arising from the recommendations to Cabinet, should the proposal proceed, there would be financial implications attached to accepting the proposal [REDACTED] s6(a)

Impact Analysis

77 A full, publicly notified, consent process which accounts for all of the environmental impacts, including land use, would need to be undertaken prior to the proposal proceeding. There is no certainty around the length of time or the outcome of this resource management process.

78 While there are no regulatory requirements arising from the recommendations to Cabinet, should the proposal proceed there would need to be a careful investigation of the resource management options that needed to be undertaken, in particular land use, with full public consultation and consideration of the environmental impacts that were signalled in the Economic, Environmental, and Social Impact Study.

Publicity

79 Local and international coverage of the proposal has been limited, and broadly neutral. Once Cabinet's decision has been communicated to Singapore, we propose to engage with local mayors to inform the Sanson and Bulls communities of the reasons for the outcome, including the results of the Economic, Environmental and Social Impact study.

Recommendations

80 We recommend that Cabinet:

- a. **Note** the results of the work programme to assess the risks and benefits for New Zealand of Singapore's proposal to base F-15 fighter jets at Ohakea Air Force Base for training purposes:
 - i. Economic, Environmental and Social Impact Study;
 - ii. NZDF Impacts Study;
 - iii. [REDACTED] s6(a)
 - iv. Strategic Assessment.

- b. **Note** that the long-term economic benefits of hosting the F-15s are small (s6(b)(i) million), but that there will be a significant cash injection into the economy during the construction phase (s6(b)(i) to s6(b)(i) million);
- c. **Note** the environmental impacts, including due to aircraft noise and pollution from fuel emissions and operations;
- d. s6(a)
- e. s6(a)
- f. **Note** that the foreign policy benefits of hosting the F-15s are assessed as significant;
- g. **Note** that officials' conclusions are that the risks of Singapore's proposal to base its F-15 Eagle fighter jets at Ohakea Air Force Base for long-term training purposes nevertheless outweigh the benefits;

AND EITHER

- h. **Direct** officials to explore the issue further, including whether other practical options exist for hosting the F-15 training detachment in New Zealand, s9(2)(f)(iv) as well as possibilities for regular short-term deployments of F-15 Eagle and F-16 Fighting Falcon detachments to New Zealand;
- i. **Agree** that officials will report the results of this work to Cabinet in August 2018, and include advice on possible alignment between any new option and the Enhanced Partnership;
- j. **Agree** that officials will advise Singapore that Cabinet has requested further work on the F-15 proposal, with a report back to Cabinet on the results of that work due in August, after which New Zealand's decision will be communicated to Singapore.

OR

- k. **Agree** the proposal to base the F-15s at Ohakea should not proceed.

Authorised for lodgement

Rt Hon Winston Peters
MINISTER OF FOREIGN AFFAIRS

Hon Ron Mark
MINISTER OF DEFENCE