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New Zealand's defence strategy

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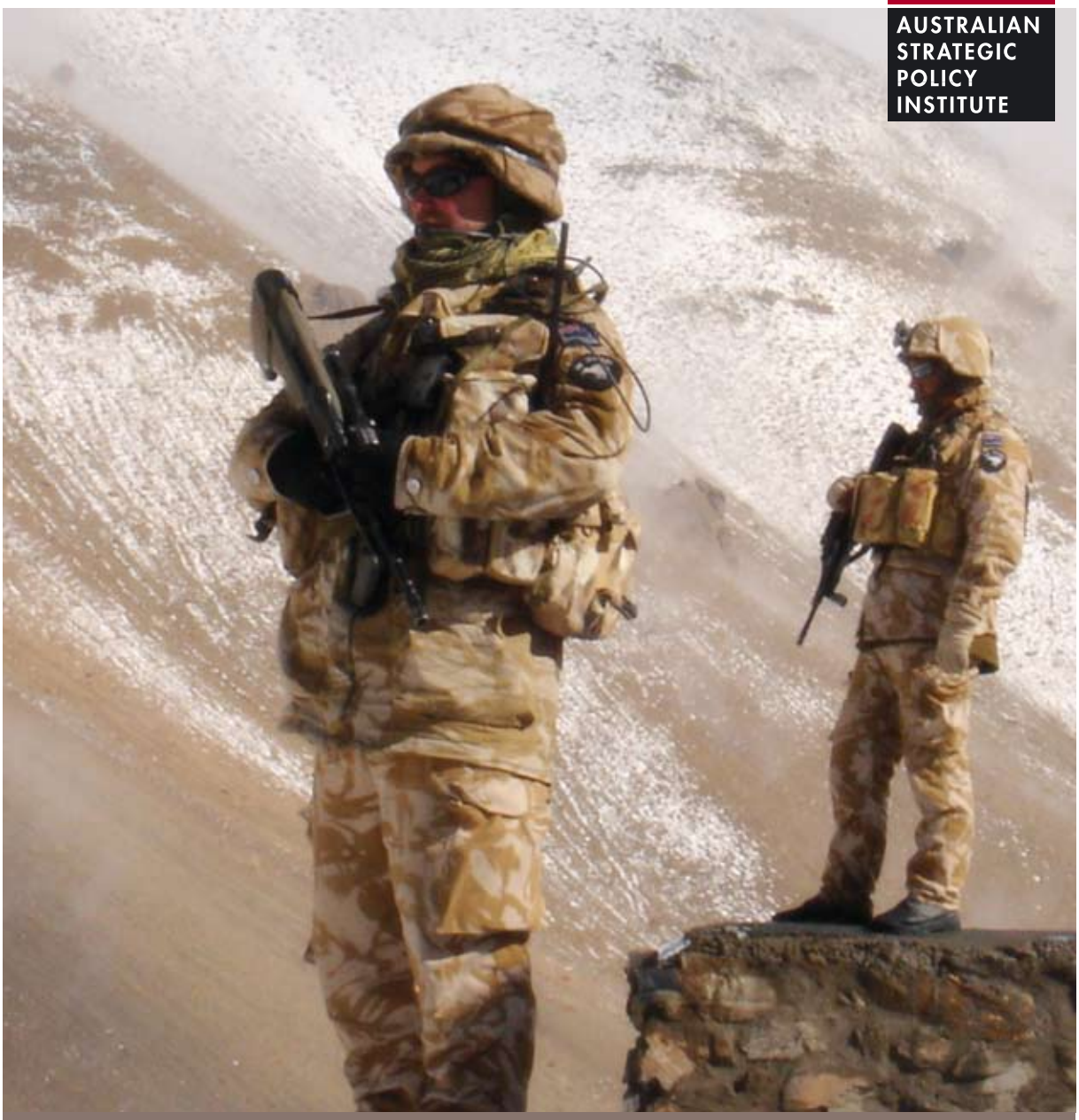

April 2007

Jim Rolfe

Jim Rolfe is a senior fellow at the Centre for Strategic Studies in New Zealand. He has previously been on the faculty at the Asia–Pacific Center for Security Studies in Hawaii, the associate director of the Master of International Relations programme at Victoria University of Wellington, New Zealand, and a policy adviser in the New Zealand Department of the Prime Minister and Cabinet. Earlier in his career Dr Rolfe served in the New Zealand Army for some 20 years. Rolfe's most recent book is (as editor) *The Asia Pacific: A Region in Transition*, and he has two books and many journal and other articles on aspects of New Zealand's defence. Jim Rolfe's major current research project relates to the ways the Asia–Pacific region is developing norms of cooperation and institutional relationships to support the norms.

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Cover image: Members of Kiwi Patrol Team 1 on guard in Bamyan province in Afghanistan, November 2006. Photo courtesy New Zealand Defence Force

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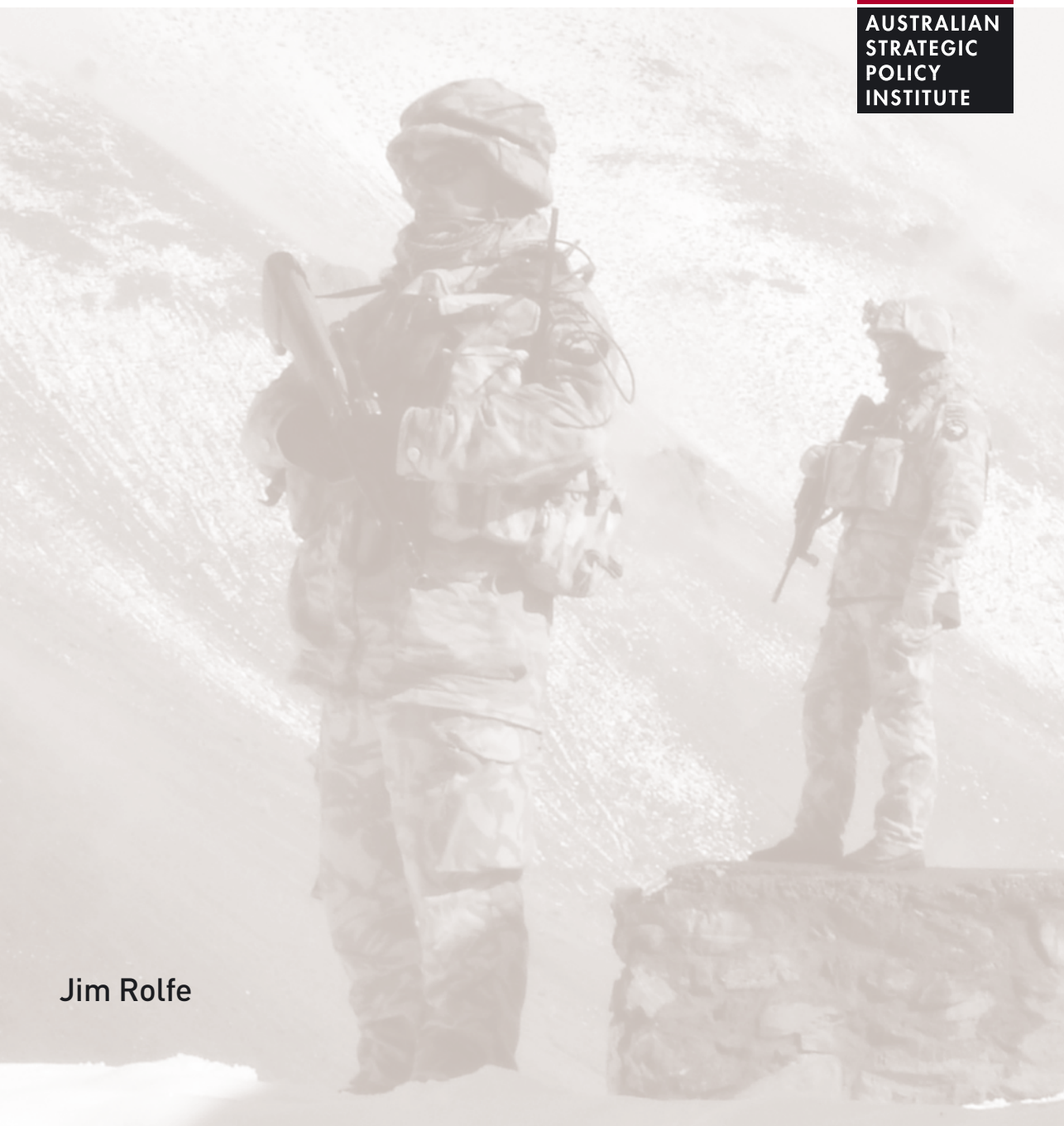

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First published April 2007

Published in Australia by the Australian Strategic Policy Institute

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Rolfe, James Grant.
Cutting their cloth: New Zealand's defence strategy.

ISBN 9781921302107 (pdf).

1. Australia Treaties, etc. 1951 Sept. 1. 2. New Zealand. Defence Force—Management.
3. New Zealand—Military policy. 4. New Zealand—Defenses. 5. New Zealand—Military relations.
I. Australian Strategic Policy Institute. II. Title.

355.033293

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FETOKONI'AKI 'A TONGA
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Director's introduction

New Zealand's defence policy has long been of importance to Australians. The ANZAC tradition is a strong one in both countries' histories. And geography has been and is likely to remain one of the principal factors in strategic planning. For better or worse, the two neighbours have considerable capacity to affect each other's strategic planning. And since the breach in the ANZUS relationship over twenty years ago, the policy-making communities on both sides of the Tasman have worked to find a new equilibrium point for the bilateral strategic relationship. The challenges in this endeavour are compounded by the different conceptions each nation has of its security, and its defence force requirements.

In recent years New Zealand has been thinking through its defence needs in a very structured way and making considerable headway in transforming its defence forces. This report, written by Dr Jim Rolfe (a senior fellow at the New Zealand Centre for Strategic Studies), examines these achievements and their implications for future strategic and defence cooperation between New Zealand and Australia.

It is apparent that we are still some way from reaching a new equilibrium. There are tensions that continue to haunt the relationships New Zealand has with both of its major security partners—Australia and the United States. However, these should not preclude promising avenues for further defence cooperation between Australia and New Zealand. At the moment our defence relationship is in pretty good shape. We may need to move more rapidly to a point where neither country defines the bilateral relationship by reference to the ANZUS treaty.

I thank Dr Rolfe for his insights into New Zealand's defence thinking, and for his recommendations about how Australian policy-makers might carry the relationship forward. As always, responsibility for the views expressed in this report rests with the author and me.

Peter Abigail
Executive Director

Photo opposite: Checking out the damage after the riots in Tonga, a NZ soldier walking towards shop. Photo courtesy New Zealand Defence Force

Executive summary

> Defence policy and foreign policy are a partnership aimed at securing New Zealand's physical, economic, social and cultural well-being, and meeting our regional and global responsibilities.
>
> New Zealand Government, 2002

New Zealand's defence policies require its armed forces to be able to operate throughout the world. Although the country has no sense of threat, there's a recognition that peace both in the immediate region and in the wider international arena is important for New Zealand's own wellbeing. In 2006, New Zealand sent small military contingents to East Timor, Solomon Islands and Tonga in response to violence in those countries and was prepared to evacuate citizens from Fiji following the December 2006 military coup d'état. None of the deployments was large, but in conjunction with deployments further afield in Afghanistan, Lebanon, Bosnia and Sudan they demonstrate that New Zealand is prepared to use its armed forces to secure regional and international stability.

In 2000, the government decided that the New Zealand Defence Force (NZDF) needed to be 'rebuilt' and to be 'shaped' to meet specific government needs. It decided that the Army would be 'modernised', that the Navy would have a 'practical' fleet matched to the country's wider security needs, and that the Air Force would be 'refocused and updated'. All this would be within the context of a commitment to fund defined capability and operational needs.

Today, the armed forces are or are becoming modern, capable operational forces that can take their place alongside their allies as required, or operate more or less independently to support New Zealand's interests in the immediate neighbourhood. The forces have or are adopting appropriate levels of modern technology, and their operational doctrines are more or less identical to and certainly compatible with Australian doctrines. If current policies continue, the armed forces are fiscally sustainable.

On the debit side of the ledger, there are still gaps in NZDF capabilities, not all force elements can achieve planned readiness levels, and the forces are being stretched, raising questions about the ability of some elements to fulfil the demands being placed on them.

Because New Zealand is unable to conduct significant military operations independently, it needs robust defence relationships. It has such a relationship with Australia but less so with the US. Australia has a long shared military relationship with New Zealand (sometimes close, sometimes not) and there are many areas of policy congruence and practical cooperation, but also strongly held and long-term doubts about New Zealand's commitment to and capacity for the two nations' common defence.

New Zealand's relationship with the US is also important, but hasn't been close for 20 years, since the two countries disagreed about the way New Zealand should implement its non-nuclear policy and the US withdrew its security guarantee from New Zealand. With the US, New Zealand is attempting to build a new and more effective security partnership, one that transcends their differences over the role of nuclear power and weapons in the defence relationship. The War on Terror has stimulated a re-look at the relationship, but the examination is wider than that.

New Zealand's defence relationships are strong and getting stronger. Overall, the NZDF is as capable today as it has been in the past thirty years, and is as capable as it needs to be.


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Chapter 1

INTRODUCTION

The New Zealand Defence Force (NZDF) has some 9,000 professional servicemen and women, and a total personnel strength (including nonregular forces and civilians) of about 13,500. Its budget was very slightly less than NZ$1,750 million for the year ending June 2007 (to which should be added some $9.5 million for the Ministry of Defence and $285 million for defence capital expenditure, both accounted for separately). Overall defence expenditure is about 1.3% of gross domestic product and 4% of core government spending.

At 30 June 2006, the NZDF had 409 personnel operationally deployed (that is, not on exercises or other training) on eleven operations in some fifteen countries. Deployment numbers can change quickly—in the 2005–06 financial year, they varied between about 240 and 515, and have reached more than 800 at other times.

Although for many countries these numbers are not at all large in either absolute or relative terms, for a country the size of New Zealand (4 million population, $52 billion annual appropriated government expenditure) facing no military threat and no compelling reason to spend on guns rather than butter, they are significant figures.

To fulfil even the most static of defence policies, practical capabilities must meet policy rhetoric. New Zealand's defence policies require the armed forces to be able to operate throughout the world on warlike operations as well as defence diplomacy operations. This requires defence forces with certain minimum capabilities that must be able to be sustained if the commitment is to last for any length of time. Because New Zealand is unable to conduct significant military operations independently, capabilities without international relationships are a waste of the country's time unless the NZDF is to be no more than a protector of the country's shores. That has never been

Photo opposite: NZDF personnel on parade. Photo courtesy New Zealand Defence Force

the sole role for the armed forces, so New Zealand's defence relationships are important to it and to partner countries, given that their armed forces might have to fight alongside New Zealand's. This is particularly the case for Australia, which has a long shared military relationship with New Zealand (sometimes close, sometimes not) and many areas of policy congruence, but also strongly held and long-term doubts about New Zealand's commitment to and capacity for the two nations' common defence.

This study examines three components of New Zealand's defence posture: the country's capabilities, its commitments, and its defence and security relationships ...

This study examines three components of New Zealand's defence posture: the country's capabilities, its commitments, and its defence and security relationships with its two closest partners—Australia and the US. The aim is to determine just what New Zealand's capabilities are and how they meet both New Zealand's stated interests and also the desires and expectations of her close defence and security partners. The study doesn't assess the NZDF's warfighting (as opposed to commitment-meeting) capacity in either an absolute or a relative sense. A start at that kind of analysis is in Alach (2006: Chapter 9), who uses a range of factors measured against broad role demands and concludes that the Royal New Zealand Army has a 'low to fair' capability overall. Using the same process, Alach assesses the Australian Army's overall capability as 'fair'.

This study uses slightly different components for the two defence partners. For Australia, it examines the extent to which New Zealand's capabilities add value to Australia's, and consider what more the two nations could do together. The American relationship is discussed in terms of the 'unfinished business' arising from the rupture in the previous close alliance relationship under the Australia – New Zealand – US (ANZUS) treaty because of New Zealand's assertion of its non-nuclear policy and the US reaction to that, and whether and how a new relationship might be forged.

The study is based on an analysis of two categories of information: the written policy statements produced by the New Zealand Government; and professional and scholarly knowledge and opinion (based on secondary publications and a range of interviews in Australia, New Zealand and the US conducted in 2006). In this paper, primary sources, whether written or oral, are generally not cited directly; indeed official terminology has generally been paraphrased rather than reproduced. Primary written sources are available on the websites of the New Zealand Ministry of Defence and the NZDF if the official wording is wanted. Direct quotations in this paper are taken from the interviews or from written sources—the context shows which. Secondary sources have been cited.

Table 1 is a quick reference guide to the NZDF's major units and equipment holdings over the twenty years from 1990 to 2010. It shows clearly the small size and limited capabilities of New Zealand's armed forces.

Table 1: Major effective equipment holdings and capabilities

Service/Year	1990	2000	2010[a]
Navy	4 Leander frigates 1 replenishment vessel 7 Wasp HAS-1*	2 Anzac frigates 1 Leander frigate 1 replenishment vessel 1 sealift vessel (withdrawn 2001) 3 SH-2F Seasprite helicopters*	2 Anzac frigates 1 multipurpose vessel 1 replenishment vessel 2 offshore patrol vessels 4 inshore patrol vessels 5 SH-2G (NZ) Seasprite helicopters*
Army	Special Air Service Group Infantry Battalion (partly M-113 APC mobile) Artillery Battery	Special Air Service Group 2 Infantry Battalions (partly APC mobile) Artillery Regiment	Special Air Service (and other special forces) Group 2 Infantry Battalions (1 motorised in LAV) Artillery Regiment Reconnaissance (LAV) Squadron
Air Force	21 A-4 Skyhawk 6 P-3 Orion 5 C-130 Hercules 14 UH-1 Iroquois helicopters 2 B-727 transport	21 A-4 Skyhawk (withdrawn 2001) 6 P-3 Orion 5 C-130 Hercules 14 UH-1 Iroquois 2 B-727 transport	6 P-3 Orion (upgraded) 5 C-130 Hercules (upgraded) 14 UH-1 Iroquois (to be withdrawn) 8 NH-90 helicopters (entering service) 2 B-757 transport

LAV = light armoured vehicle

a Intended

* Naval helicopters are operated by the Navy and commanded, administered and maintained by the Air Force when ashore

Note: The concept of 'effective' is based on the writer's own judgment. Minor equipment holdings are neither noted nor discussed.

Source: Derived from NZDF publications and New Zealand Government statements of intent.

Strategic context

New Zealand is 2,000 kilometres (1,200 miles) from its nearest neighbour, Australia, and that neighbour is friendly. The distance from threat colours New Zealand's attitude to the need for armed force. The country sees the utility of armed force for its own self-defence in an abstract way (but feels no sense of threat), understands that some international issues require armed force if they're to be resolved satisfactorily, and wants to be a good international citizen. Therefore, it sees practical utility in using armed force at appropriate times to participate in international affairs.

There's a recognition that peace, both in the immediate region and in the wider international arena, is important for New Zealand's own wellbeing. Regional peace is particularly important because the country has a large Polynesian population (around 9% in 2006) and because there's a potential flow-on effect from regional instability to national security. In 2006, New Zealand sent small military contingents to East Timor, Solomon Islands and Tonga in response to violence in those countries and was prepared to evacuate citizens from Fiji following the December 2006 military coup d'état. None of the deployments was large but, in conjunction with deployments further afield in Afghanistan, Lebanon, Bosnia and Sudan, they demonstrate that New Zealand is prepared to use its armed forces to secure regional and international stability.

New Zealand formally defined its defence policies and the roles of the armed forces in 2000 in what it called the Defence Policy Framework (NZG 2000). Broadly, the policy is designed to ensure that New Zealand is defended, the alliance with Australia maintained and security ensured for the South Pacific, the wider Asia–Pacific region and within the global community, with different levels of effort being applied to each. The armed forces have specific tasks related to each of those policy areas. Neither the policy statements nor the prescriptions for the armed forces would have been out of place in similar documents of the preceding thirty or more years.

There are three broad conceptual and practical areas within which New Zealand's armed forces might have to operate, each with its own needs:

- *The immediate New Zealand area* (within the 200-mile exclusive economic zone). Here the requirement is primarily to meet the needs of other government departments, rather than to perform military security tasks.
- *The regional neighbourhood*. This includes all of the Australasian maritime area, the South Pacific and Antarctica. The environment is primarily maritime, and the military threat in these areas is low but not non-existent. The armed forces are just as or more likely to be working with friendly armed forces, assisting the governments of the island states or, again, assisting other government departments in their missions as they are to be conducting warlike operations.
- *The wider world*. Here the NZDF acts as the military component of the government's foreign policy. The armed forces might be required to participate in clearly warlike operations, or they might have to provide personnel for peacekeeping duties (widely defined).

From New Zealand's perspective, none of these areas directly threatens the country, and the further away from New Zealand the region, the more choice New Zealand has about whether it should send its armed forces. Most of New Zealand's international partners, with their differing threat perspectives, don't enjoy this luxury.

Because of the level of threat defined by New Zealand, its armed forces are structured and equipped to achieve specific and quite narrow outcomes, rather than to be able to fight a conventional enemy under almost any circumstances on land, at sea or in the air. Therefore, New Zealand is always open to the criticism that its armed forces are not suited to or prepared for a 'real' warfighting role. Such criticism perhaps misses the point that New Zealand defines its needs to suit its own understanding of the international environment, rather than acquiescing in some other nation's definition of threat or need.

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Chapter 2

CAPABILITY REQUIREMENTS

Determining capability requirements

New Zealand does not and has not recently, if at all in the past sixty years, had absolute defence needs; that is to say, it hasn't had an environment in which it had to produce a clearly defined quantum of defence to remain secure. Defence has been a choice and so has been subject neither to the discipline of necessity nor to that of the market. Despite the best efforts of policy makers over the decades, defence policy has often been subject to arbitrary and partisan decision-making and, even given firm decisions, has rarely had a budget adequate to meet stated and desired policy outcomes (Quigley 2006 has a recent comprehensive analysis of the background to defence decision-making in the period to 2000). This isn't a satisfactory approach for any area of spending, and certainly not for one that takes as much of the discretionary portion of the national budget as does defence.

Since 2000, there's been a renewed focus by the government on defence policy formulation and processes to ensure that the NZDF is able to achieve what the government wants of it.

Since 2000, there's been a renewed focus by the government on defence policy formulation and processes to ensure that the NZDF is able to achieve what the government wants of it. Table 2 shows the range of reviews conducted in the five years from 2000. The overall outcome of the reviews and subsequent policy decisions is that the NZDF is being 'transformed' from a force with generic capabilities but

Photo opposite: The NH90 helicopter. Photo courtesy New Zealand Defence Force

little depth into one with sustainable military capabilities in specific niche areas. This paper does not argue here that the decisions about defence needs and funding have been 'correct'; that would involve a different kind of discussion using a set of criteria different from those used in this analysis.

Table 2: New Zealand defence policy documents: a quick guide

Document	Purpose	Reference
Defence Policy Framework 2000	Described broad defence policy directions	NZG (2000)
Government Defence Statement 2001	Gave more detailed policy substance to the framework document	NZG (2001)
Long-Term Development Plan 2002, updated 2003, 2004, 2006	Established long-term equipment acquisition and upgrade programs	MoD (2006)
Review of Accountabilities and Structural Arrangements 2003	Determined how the military and civilian components of the defence establishment should relate to each other	Hunn (2003)
Defence Capability and Resourcing Review 2005	Showed the gaps between policy requirements and defence operational and organisational capabilities	NZG (2005a)
Defence Sustainability Initiative 2005	Outlined a ten-year program showing how the government would fill the gaps defined by the Capability and Resourcing Review	NZG (2005b)
Functional Reviews 2000–2005	Examined and made recommendations on the land forces, sealift capability, maritime patrol, air combat force, air transport, utility helicopters, Air Force bases, and hydrographic survey capabilities	MoD (2000, 2001, 2002)

The broad principles underlying all the reviews were stated in the 2000 Defence Policy Framework (NZG 2000): the NZDF was to be reshaped and structured to ensure that it could meet the government's needs. The principles guiding the changes were that the NZDF would be:

1. equipped and trained for combat and for peacekeeping
2. deployable
3. able to operate alongside other forces
4. held at appropriate levels of readiness
5. sustainable
6. up to date in technology and doctrine
7. fiscally sustainable.

This is a useful checklist against which to measure and judge defence outcomes.

The government also committed itself to a range of reviews covering most aspects of NZDF operations and to developing a long-term capital development plan. Between them, the documents and studies produced between 2000 and 2005 established a policy framework for examining defence issues, determining operational and capital funding needs for the NZDF into the medium future, and laying out an acquisition and funding framework to meet those needs. The documents give certainty to the NZDF in its capacity to conduct day-to-day operations over the medium term and make it both politically and fiscally sustainable, at least until the government chooses to ignore its policy approaches or to rescind them. The advantage of this system of progressive updating of policy goals and intentions is that funding can be (and is) linked clearly to the relevant policy decision. The system is both dynamic and transparent. This is a systematic and rational response both to the relative neglect of defence resourcing in the past and to the inevitable complexity of funding defence.

Of course, none of this guarantees that a future government won't decide that defence is too expensive, or that defence issues are too difficult, and consequently choose to return to the earlier process of stating policy but not necessarily funding it systematically. Any government could do this by using a policy of more or less benign neglect of defence in favour of some other policy area with a higher priority. Certainly, it's already clear that New Zealand faces long-term costs related to an ageing population and increasing calls on government services. The politically easy solution for a future government would be to shift budget allocations further from guns to butter without changing the assumptions or rhetoric underlying defence policy. One indicator of future intentions will be the regularity with which the Long-Term Development Plan is updated. Probably no more than about two years should ever lapse between iterations.

Meeting capability requirements

Although all governments have always examined defence capabilities in terms of their own policy needs, the New Zealand Government has rarely done so as systematically and in such an integrated way as in the five or six years from 2000. The government decided that the NZDF needed to be 'rebuilt' and to be 'shaped' to meet specific government needs. It decided that there would be a joint approach to structure and operational orientation (that is, the Navy, Army and Air Force would work much more closely together), that the Army would be 'modernised', that the Navy would have a 'practical' fleet matched to the country's wider security needs, and that the Air Force would be 'refocused and updated'. All this would be within the context of the financial security provided through systematic policy analysis and a commitment to fund the needed capabilities.

Now, the NZDF of the future is to have:

> ...fully mission-capable units and their supporting components at degrees of preparedness that are matched to New Zealand's defence policy objectives. This force will be able to deploy a joint headquarters capable of commanding and controlling operations...

None of this is particularly surprising. What would be surprising would be a requirement for some lesser level of capacity. Nonetheless, statements such as this give us a sense of the armed forces' own ambitions and allow us to measure their achievements against those ambitions.

Three terms which should be kept in mind: *operational level of capability* (OLOC), *directed level of capability* (DLOC) and *basic level of capability* (BLOC). OLOC is as it sounds—the level needed before units can be sent on operations. It's expensive in time and demanding on people and equipment, so most units are kept at DLOC and require a period of training and perhaps re-equipping before they can reach OLOC. BLOC is for exceptional circumstances when a force element might be permitted to maintain an even lower level of capability than DLOC. This is the lowest level at which military capabilities have to be held if they're not to be lost. Territorial (reserve) units in the Army are typically held at BLOC.

In practice, special forces are kept at OLOC. Other units are funded to take up to a month to move from DLOC to OLOC. This isn't a problem if the government gives enough warning of the requirement to do so. A warship deploying to the Middle East would typically get sufficient notice. On the other hand, units were sent to Solomon Islands and Tonga in 2006 with just hours rather than weeks of notice. The NZDF managed to do this, but there's no

guarantee that it will always be able to meet short-notice government requirements and, in any case, there's a considerable cost in meeting such commitments. One solution would be for small units, such as an infantry platoon, to be kept at OLOC and able to move with minimal notice. Slightly larger units could be kept at, say, several days notice to move, rather than weeks as at present. A system such as this would give the government and the NZDF considerably greater flexibility and less risk of not being able to meet the government's short-term and unfunded demands.

Joint structures

Before 2001, New Zealand paid lip-service to the need for the individual services to be able to cooperate and operate effectively with each other. In practice, each service was more familiar with its counterpart in Australia, Britain or even the US than with its New Zealand siblings. This was because of the assumption (normally accurate) that operational deployments would see the New Zealand Army working with the armies of other countries rather than with the Royal New Zealand Air Force (RNZAF) or the Royal New Zealand Navy. Operational missions or training exercises in this period might nominally have been 'joint', but in practice each service decided for itself how it would achieve a common mission.

In July 2001, New Zealand's first Joint Force Headquarters began functioning. Within the headquarters, the Commander Joint Forces (CJF) New Zealand and three service (Navy, Army, Air Force) component commanders provide operational-level command and control of all joint and/or combined (that is, international) operations and exercises. The headquarters itself is completely integrated, in that staff positions are based on functional (command, intelligence, operations, support) rather than service structures. As well as the joint headquarters, New Zealand's Directorate of Defence Intelligence and Security and the associated Joint Geospatial Support Facility provide direct support to the joint capability.

The underlying philosophy for joint operations is defined by the Chief of Defence Force:

> We will become a tailored joint force that is multi-mission capable and shaped to contribute joint effects across the full spectrum of operational tasks, from combat and peace enforcement through peace support and peacekeeping to those other tasks that the Government may call on us to perform ...

Unlike in the systems used in many other countries, all operational military units are assigned to the CJF, whose component commanders are responsible for ensuring that the units are maintained at DLOC through their operational training and equipment management. The CJF is then responsible for meeting OLOC requirements when directed by the government to do so. Single service chiefs, working from Headquarters NZDF, are responsible for raising, training and sustaining individuals to feed into the operational units.

The joint system works well in practice. The approach used (committing all operational units to the CJF) might only work in a smaller system, such as New Zealand's, but it has noticeably improved the readiness of all units over the past several years. Service members with experience in the joint environment now understand not only the capabilities but also the limitations of their sister services, and it's quite clear that military operations are now conducted much more effectively and efficiently than they were under the previous system.

Although the theoretically joint operations in Bougainville in 1997 aren't the focus of the analysis in this paper, they were noted for their lack of joint endeavour. In contrast, more recent operations have been much more clearly joint and have been successful in that the forces were integrated, deployed and completed their missions according to command

and political requirements. In Afghanistan, Solomon Islands, East Timor and most recently Tonga, operations have been controlled from the Joint Force Headquarters without regard to the service of the staff officers involved, and units and personnel from the different services have worked closely and efficiently together in the field. Tonga was not only a joint operation, albeit small, but also a combined one with Australia in which New Zealand took overall command of the operation. The deployment worked well once initial teething troubles between the two countries, mostly relating to the slightly different tasks given to the two forces by their respective governments, were resolved.

... more recent operations have been much more clearly joint and have been successful in that the forces were integrated, deployed and completed their missions according to command and political requirements.

There's more to be done in the joint field. There aren't enough personnel to meet all the headquarters' needs, intelligence systems need to be integrated more closely, and joint command and control systems need to be upgraded to take advantage of advances in technology and to allow automated command and control rather than the manual and paper-based methods used today. All these factors adversely affect the Joint Force Headquarters' effectiveness and efficiency, but they don't affect the underlying point—that the NZDF can and does operate in a joint environment and is a more effective force as a result.

The modernised army

In 2000, the NZDF Land Force Capability Review (MoD 2000) concluded that the Army needed additional numbers to be able to sustain operations by a battalion group (600–900 soldiers) for more than twelve months. As well, the Army needed to complete its planned purchase of light armoured vehicles and it needed to purchase or upgrade its light operational vehicles, support weapons and tactical radio systems.

Most of the requirements of that review have been or are in the process of being met. Today, the Army can motorise two battalions of infantry in its light armoured vehicles, although it won't necessarily do so and won't always have enough trained soldiers to provide full crews for all its armoured vehicles. It has a full range of operational non-armoured vehicles and has significantly upgraded its support firepower with anti-armour and very low-level air defence weapons. New tactical communications and intelligence management systems are being planned. The Army is now working to develop logistic and maintenance management procedures (some of them resurrected from practices used decades ago but subsequently forgotten) to ensure that the equipment is maintained to be available when needed.

As well as absorbing its major equipment purchases, the Army is to gain some 700 additional soldiers over the next several years to solve the sustainability problems identified in capability reviews. It's putting a heavy emphasis on individual soldier training (recruit training is being extended from 14 to 22 weeks), soldier skills, soldier morale and soldier initiative. No longer is a trained soldier one who can merely master his or her equipment. Considerable emphasis is put on socialising soldiers to maintain core cultural values about what it means to be a New Zealand soldier and what it means to be a warrior.

Basic equipment items (such as personal radios, personal night vision equipment and personal body armour) are receiving a lot of attention from the Army, with the intention that all soldiers will eventually have a permanent allocation of personal equipment. That they don't already is a capability gap in itself.

The introduction of the light armoured vehicle (a wheeled troop-carrying vehicle with considerable offensive capabilities) has caused the Army to think about its tactics in detail. It's also thinking about the strategic contexts within which the government might require it to commit soldiers, and thus the capabilities it might need to be able to operate successfully. This has led to an understanding of the need for a 'heavy' (in the New Zealand context) and a 'light' infantry capability. In practice, this means that one Army battalion will operate with the light armoured vehicles as an integrated battalion group and the other will be designed to work primarily on foot, supported by the light armoured vehicles if necessary. That configuration will also ease any vehicle crew shortages.

Deployments to Bosnia in the 1990s revealed some significant shortcomings in equipment and training.

Deployments to Bosnia in the 1990s revealed some significant shortcomings in equipment and training. The Army argues that its later successive deployments to East Timor, Solomon Islands and Afghanistan have shown that, although stretched, it's completely capable of operating alongside allied forces in the relatively light roles for individuals and small teams for which it primarily trains. Not only is it capable, but it adds value to the overall force. Senior officers point to the success of the Special Air Service in Afghanistan and its emphasis on long-range, long-term operations giving a capability to allied commanders not given by other special forces, which tend to operate for shorter periods at a time. They also point to the success of New Zealand troops operating in the Pacific on recent operations in Bougainville, East Timor and Solomon Islands, where the combination of individual soldier skills and New Zealand's specifically 'Pacific' cultural approaches to people and events gave the troops an effectiveness not achieved by the forces from other countries. Senior foreign officers who have worked with New Zealand Army units have been flattering, whether talking about operations in Afghanistan, the Middle East or Tonga.

Not all is perfect. Personal equipment items are in short supply, although that problem is being addressed. The Army is stretched by successive operational deployments. In the area of combined and joint combat operations at the higher end of the operational spectrum, especially if required at short notice, the Army can't meet its requirement to produce a battalion group 'without significant risk' and 'has some work to do ... before we can claim the mantle of a world-class army' (Gawn 2006). Despite its overall sanguineness, in the year to mid-2006 the Army couldn't maintain a battalion group at DLOC for other than low-level contingencies and would only have been able to meet OLOC for mid-level contingencies 'with risk'. These are significant shortcomings.

As well, there have to be doubts about the Army's ability to operate as a unified force with elements from, for example, the infantry and artillery supporting each other on mid-intensity operations, or with the light armoured vehicles working in mid-intensity operations against a conventional enemy. Training for these more warlike operations has had to take second

place to the needs of current low-intensity operations, and the Army is untested in the past thirty years in working in this kind of environment. This is an ironic (and if the doubts are justified, unfortunate) position for the Army to be in, given the broader NZDF ability to operate jointly.

The Army isn't standing still in capability development. In the future (although as yet no more than planners' dreams) are the acquisition of unmanned aerial vehicles to give additional reconnaissance and surveillance capabilities, perhaps mobile artillery, and enhanced personal support items for individual soldiers.

To meet the aim of being able to sustain the deployment of an infantry battalion (especially if the deployment involves intensive combat operations), the Army should ideally have a third battalion so that at any time one could be deployed, one could be preparing for deployment and one could be recovering from deployment. This isn't going to happen in the short term. According to Army chiefs, a third battalion would be too expensive and not a priority, given that sustaining a battalion on operations is less likely than many other potential tasks. Rather than raise a third battalion to meet any shortfall, the Army will restructure itself and use its reserve forces (the Territorial Force) to fill gaps. This issue is discussed further below.

The practical navy

By any standard, the Royal New Zealand Navy is a small one. The Navy's vision is 'to be the best small-nation navy in the world' and, although it would be strange to have anything less than that kind of ambition, how the vision is achieved says something about the force's professionalism.

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According to Navy policy statements, to be the world's best small navy it must show operational and organisational excellence and its people must be fit, resilient and capable. The Navy searches for measures to show that it's succeeding in its aims. Senior officers point to the receipt in 2006 of a New Zealand Business Excellence Foundation Silver Award recognising organisational excellence (RNZN 2006). On a naval level of analysis, high marks gained by warships during 'workups' ('unit readiness evaluations' in Australia) are another indicator that, at least, individual units are fully competent. In operational terms, the Navy has been able to deploy a frigate and its replenishment vessel for exercises and representational visits to South Asia, Southeast Asia and Northeast Asia in 2005 and 2006. Before that (in 2002, 2003 and 2004), it routinely had one or other of the frigates in the Gulf of Oman supporting the allied interdiction operation there.

In 2000, the core of the Navy was the naval combat force of two Anzac class frigates (with an option to purchase a third) and a Leander class frigate, soon to be retired. At that time, the Navy also operated a replenishment vessel to support the combat force and a roll-on roll-off merchant vessel intended to be converted to give a military sealift capability. New Zealand's ability to operate away from New Zealand waters depended on the availability of one of the two warships or on the Navy's readiness to release the replenishment vessel to operate

independently from the fleet. Patrolling within New Zealand coastal waters was normally a task for inshore patrol craft of very limited capability.

The 2002 Maritime Forces Review (MoD 2002) examined the composition of the Navy's surface fleet and determined that the two frigates were sufficient for long-distance naval operations (although they wouldn't be able to provide a year-round capability) and over-capable (and rarely available) for more local maritime patrol tasks. The review concluded that, as well as the frigate force, New Zealand needed a proper maritime patrol capability both inshore (out to 24 miles from the coast) and offshore (including into the Southern Ocean), and that it required a multi-role vessel with a military sealift capability, which wouldn't be supplied by current plans to convert the already purchased merchant vessel.

Consequently, New Zealand decided to maintain the combat force at a strength of two frigates, rather than taking up the option to acquire a third warship. To add additional capabilities to the fleet, the government decided to buy a multi-role vessel with a maritime sealift capacity of a company of infantry with all its vehicles and equipment. The government also decided to develop both an offshore and an inshore patrol capability (with two offshore and four inshore patrol vessels), not only to meet its conventional security priorities but also to play a wider role in supporting other government agencies, such as New Zealand Customs, the Ministry of Fisheries or the Ministry of Agriculture and Forestry. This final set of capabilities is a practical expression of the whole-of-government approach to policy development practised since 2000.

The new fleet will certainly, as the government rhetoric has it, give a more practical navy.

Project Protector will be complete by the end of 2007. From then, New Zealand will be able to participate in limited (in both time and intensity) warlike operations with its frigate fleet, supported by the replenishment ship if necessary. It will be able to carry out either military or civil-emergency related movements of people and material with the multi-role vessel, patrol into the South Pacific and Southern Ocean with the multi-role vessel and offshore patrol vessels (freeing the frigates for more clearly warlike and long-distance tasks), and also patrol New Zealand's own territorial and economic zone waters effectively. The new fleet will certainly, as the government rhetoric has it, give a more practical navy. It will also be a much more versatile navy. The broad spectrum of operational environments in which the Navy can now operate and the flexibility of the individual vessels mean that the government has many more options than it's had in the recent past, not only to contribute to warlike operations but also to practise defence diplomacy in the immediate region and to manage New Zealand's maritime borders.

The significantly larger fleet will give sailors greater opportunity to gain experience in a range of duties at a junior level, which will then allow them to operate in the combat force with more background experience than might be the case today. The larger fleet will also mean that New Zealand will be able to offer practical experience to Pacific island state naval personnel on board the patrol vessels if it chooses to (most Pacific island countries have a small patrol boat fleet funded by Australia).

The Navy is, however, still a very small navy, especially in its warfighting component. There are practical problems in providing enough trained sailors to crew the additional vessels. According to the Chief of Navy, some branches of the Navy are already 'in a very delicate position with only a few people being the difference between a ship having to stay alongside in Devonport or being able to go to sea and do its job' (Ledson 2007). Another problem is in getting a crew to operational standards in a workup when there are only two warships and thus limited opportunities for gaining warship skills. Training in Australia and elsewhere can minimise the problem of lack of experience, which is partly a penalty New Zealand pays for limiting the size of its fleet. In sum, the issue points to the difficulty of achieving the goal of being the 'best small-nation navy in the world'.

The rapid introduction of many new vessels is causing problems for the Navy, for example in determining how best to meet personnel and maintenance requirements, but these are manageable and the Chief of Navy is 'happy with where we are now'. Time will tell whether he's too sanguine. In a wider sense and from the government's perspective, according to Defence Minister Phil Goff, the Navy 'was not configured for realistic operations' and is now (or will be, by the end of 2007) 'capable for our needs'.

The refocused and updated air force

In 2001, in a dramatic decision with apparently significant effects on the combat capability of the NZDF overall and the RNZAF in particular, the government decided to disband the RNZAF's air combat force. The grounds the government gave for the decision were that the current attack jet, the A-4 Skyhawk, had little operational utility. The government argued that 'the loss of the air-to-ground and air interdiction roles [for the RNZAF] is not a major concern', because an air combat force 'has never been, and is unlikely ever to be, used …'
A further argument was that the money saved by not replacing the Skyhawks with more modern aircraft could be better spent on 'rebuilding the remainder of the NZDF'. The RNZAF was being refocused, with a vengeance.

In effect, by the end of the upgrade and replacement projects, the RNZAF will have a fleet of almost completely new aircraft.

At the same time, the government also announced that it intended to examine the rest of the RNZAF's fleet to determine whether to replace or upgrade existing assets. Over the next several years, as studies were completed, the government announced decisions to:

- upgrade its strategic transport capability with two Boeing 757 aircraft to replace much older Boeing 727s
- upgrade the maritime patrol force of P-3 Orion aircraft with mission management, communications and navigation systems
- upgrade the avionics and airframe of the C-130 Hercules fleet
- purchase a fleet of NH-90 utility helicopters to replace the UH-1H Iroquois utility helicopters
- replace the obsolete Sioux training helicopter with a new training light/utility helicopter.

In effect, by the end of the upgrade and replacement projects, the RNZAF will have a fleet of almost completely new aircraft.

None of this tells us anything about the viability of the RNZAF as an operational force. It's a matter of judgment, and reasonable people can disagree about whether an air force without a significant air combat capability and without an effective anti-submarine capability can ever be called 'viable'. On the other hand, the Air Force is designed to achieve specific tasks; as the following descriptions show, it's very effective at achieving those tasks, or soon will be.

The Boeing 757s will provide a strategic air transport capability for the NZDF. The aircraft was chosen by the RNZAF as being the best suited for the role required of it, the other options being the Boeing 767 (too large) and the Boeing 737 (too limited in its capability). The aircraft is versatile—it can carry troops in their operational role with their equipment, can act as a freight carrier, can carry non-operational personnel on administrative deployments and, in time, will be able to conduct aeromedical evacuations.

The aircraft won't be used to capacity. The RNZAF is specifically funded for 1,200 hours flying a year, giving sufficient crew flying hours for them to remain operational plus an estimated minimum of administrative flying. The RNZAF has enough crews to fly 2,000 hours a year, and the additional hours will be taken up with operational flying as necessary and directed. As well as its direct capability, the Boeing 757 will allow the C-130 Hercules to be used in its proper tactical role rather than as a strategic transport, as has been the case in the recent past.

The combination of the Boeing and the Hercules will also give the air transport fleet greater capability overall, in that the two aircraft operating together make a strategic airlift much more efficient. For example, moving advance and reconnaissance parties and equipment that needs to be pre-positioned by the Hercules and using that aircraft for tactical duties in the theatre of operations, while moving the main body of troops by the Boeing, means that the troops arrive much more quickly and much less fatigued by the move. Such a combination has been used operationally in troop movements to Afghanistan and for deployments in the South Pacific, and administratively during the relief effort to Indonesia following the 2004 tsunami, and has been found to be very effective.

New Zealand's P-3 Orion maritime patrol aircraft have been structurally upgraded and are now to have their mission management, communications, navigation and surveillance systems modernised to fit them for a role focused on surface rather than subsurface surveillance. Until that upgrade is complete, the Orions will be able to maintain DLOC for lower-end military capabilities only. By the end of the project in 2010, the aircraft will be as capable as any in the world for its surface surveillance role, to the extent that there's discussion of completing the refocusing to describe the force as an 'Airborne Surveillance and Reconnaissance Force' to reflect its potential roles. In the future, the aircraft could have command and control or airborne early warning duties, or it could have an enhanced attack capability—all depending on developments in technology and governmental will.

One thing the Orion won't be able to do effectively, however, is to detect, track and attack submarines—its original role. The aircraft's anti-submarine capability is obsolescent, if not obsolete. The government determined that the range of surface surveillance tasks available for a maritime patrol force, many of them non-military tasks, meant that its priority for maritime patrol had to change, despite the increasing use of submarines by navies in the Asia–Pacific region.

By focusing on surface surveillance rather than subsurface capabilities, the RNZAF complements Australia's maritime patrol capabilities. No doubt, at times in the future, there

will be a wish that the two countries between them had a greater subsurface capacity. Until then, they'll be happy to have the increased surface surveillance provided by the patrol aircraft.

By focusing on surface surveillance rather than subsurface capabilities, the RNZAF complements Australia's maritime patrol capabilities.

The NZDF describes the NH-90 helicopter as the 'best on the market'. The helicopter will considerably enhance the support given to Army tactical operations and to counter-terrorist operations and will allow significant numbers of troops to be moved at any one time. The NH-90 is to be introduced into service gradually between 2010 and 2013 as it takes on different missions. For a period, both the Iroquois and the NH-90 will be flown, giving the RNZAF a larger helicopter capability than it has had for some time and considerably more flexibility in the way it tasks its helicopters.

The version ordered by New Zealand is slightly different from Australia's—a point of some mild dissension between the forces. Australia believes New Zealand should have 'bought Australian' in the interests of both compatibility and solidarity. New Zealand argues that the compatibility issues are minor and are outweighed by the fact that it doesn't want or need the Australian amendments to the basic helicopter.

The RNZAF's helicopter training capacity is now severely limited, as its Bell Sioux helicopters are at the end of their effective life. A new helicopter is not expected until 2008, but whichever helicopter is chosen is likely to have a limited operational capability outside its primary training role. The new helicopter could be used on the offshore patrol vessels as well as in a counter-terrorism role, although it's probable that the training role will still take some 70–80% of its flying hours.

The NZDF overall

Earlier in this paper is a suggested checklist against which the NZDF could be evaluated. The armed forces were to be:

- equipped and trained for combat and for peacekeeping
- deployable
- able to operate alongside other forces
- held at appropriate levels of readiness
- sustainable
- up to date in technology and doctrine
- fiscally sustainable.

These are mostly being met. The preceding examination shows the armed forces as being or becoming modern, capable operational forces that can take their place alongside their allies as required, or operate more or less independently to support New Zealand's interests in the immediate neighbourhood. The New Zealand forces have adopted or are adopting appropriate modern technology, and their operational doctrines are more or less identical to

and certainly compatible with Australian doctrines. If current policies continue, the armed forces are fiscally sustainable.

On the debit side of the ledger, there are still gaps in NZDF capabilities, not all force elements can achieve planned readiness levels and the forces are being stretched by the demands being placed on them, raising questions about the ability of some elements to meet the demands. Almost inevitably, the new equipment won't work entirely as planned. All these issues raise some doubts about the absolute capability of the NZDF.

The most obvious questions relate to the capacity of the NZDF to fight. Of course, there's a limitation based on absolute size, but that's less of a limitation on fighting ability than on the government's possible ambitions for the armed forces. All military forces, even the largest, have limitations on their ability to perform when the demands placed on them are greater than their capacity. Political leaders have to ensure that too much is not asked of their militaries, and military chiefs have to be prepared to speak out when desired tasks are greater than their forces can reasonably handle. This point is reached earlier for small forces than it is for large, but doesn't by itself constitute a valid argument about any particular size of armed force or any particular force structure.

Critics of the direction New Zealand's defence policy has taken since 2000 point to what they see as a dramatic decline in combat capability. They argue that New Zealand can do less now than it could in the past, and that in any case it can't do enough to meet potential threats. New Zealand now has only two operational warships (and they're not at the leading edge of capability) and no air combat capability at all. The fighting army is restricted to the Special Air Service and, for low-intensity operations, the two infantry battalions supported by light artillery and light armour.

In practical terms, and despite its limitations, the current force structure gives no lesser real availability of operational forces than before the refocusing exercise of the early 2000s.

In practical terms, and despite its limitations, the current force structure gives no lesser real availability of operational forces than before the refocusing exercise of the early 2000s. Table 1 (in the introduction to this paper) shows this clearly. This counterintuitive conclusion is based on the understanding that the air combat force was realistically never going to be used in an operational role and that the Army and Navy operational forces are, if anything, stronger now than they were then.

Nonetheless, according to the Royal New Zealand Returned Services Association, it is to 'gamble upon assertions of a benign future', and what's needed is a 'combat army to take or to hold ground together with air and naval combat forces to protect our borders at a distance and to ensure that our troops are adequately protected abroad wherever called upon' (RNZRSA 2005). In this formulation, breadth is as important as depth. This is a respectable and completely arguable position to hold, but it has no greater force than the current approach, which emphasises niche forces with a residual (and not insignificant) combat capability but a considerably enhanced capability to undertake tasks (probably noncombat) for the 'whole of government' as required.

To protect itself against terrorism, the most likely military threat to national security, New Zealand has expanded its capabilities. The Special Air Service has for many years had a counter-terrorist response capacity to complement that of the New Zealand Police. More recently, New Zealand has added a unit to the Special Air Service Group to counter the threat of improvised weapons using chemical, biological, radiological or explosive components. The new unit will deploy teams in Auckland, Wellington and Christchurch and will maintain a national response capability as well.

For other requirements, the NZDF is well placed to operate at a modest military level in the current international system. The armed forces have small but well-trained units and a range of robust international relationships, and New Zealand has a reputation for being available as an international partner in military operations where the needs of the international community clearly require a military contribution. Some elements of the armed forces are perfectly capable of operating in a combat environment and have demonstrated that capability.

Operational effectiveness is limited in other areas. The NZDF has only a low-level intelligence management system. For most operations, deployed units will contribute to a coalition intelligence system and receive intelligence from it. Nonetheless, New Zealand needs to be able to receive, collate and assess its own information, turn that information into intelligence, and disseminate it to those within the New Zealand system who need it. That capability doesn't yet exist in any other than a technical sense through manual management systems. The Army hopes to be able to introduce a new system from 2009, but that wouldn't integrate the other two services into a defence-wide system.

In addition, major units are not clearly able to defend themselves. The Navy's torpedoes (which are both an offensive and a defensive weapon) are approaching obsolescence, won't be able to be supported beyond about 2008 and are unlikely to be replaced before 2015. The frigate fleet is becoming increasingly vulnerable to advances in capability from potential air, surface and subsurface threats. Given that the frigates are designated as part of the 'combat force', it seems essential that they be able to defend themselves (especially if they want to be a component in the 'best small-nation navy in the world'). A project will begin around 2010 (assuming the money is appropriated), but is not yet clearly defined.

The same situation exists for the C-130 Hercules and P-3 Orion aircraft. Both have operational roles and but only limited-to-no self-protection capability. No timings have been determined for beginning a self-protection program, without which the aircraft will have limited utility in operational areas and thus won't be able to contribute to government policy requirements.

The ability of the NZDF to introduce its new and upgraded equipment into service is also a concern. The Navy will bring seven new vessels into service over about twelve months, and the Air Force will upgrade and introduce some thirty aircraft in six fleets over several years. As well, the Air Force is moving some 1,200 personnel to its expanded base at Ohakea in the centre of the North Island, concurrently with the base's expansion. In each case, operational commitments and current training have to continue. Although service chiefs express confidence in their ability to manage these tasks, a slip in any part of the complex processes (a delay in production, for example, or a blow-out in the cost estimates for longer term projects) will have flow-on effects throughout the system and jeopardise the service's capability and the capabilities of the NZDF, at least in the short term.

Chapter 3

USING THE CAPABILITIES

The NZDF's capabilities may generally be divided into those necessary to conduct warlike operations and those designed to operate in a less than threatening military environment. It used to be argued that forces trained and equipped for warlike operations could easily adapt to less than warlike tasks, such as peacekeeping, and that's broadly correct. But that argument tends to ignore the range of tasks best undertaken by the armed forces but that require a less than full combat capability and for which a full combat capability would be wasteful. The tasks in the immediate New Zealand area and the regional neighbourhood fall primarily into that category.

If these tasks are undertaken by combat elements of the armed forces, there are two potentially deleterious effects. First, those elements aren't available for more warlike duties if required, and might well require a considerable period of retraining to be able to be redeployed in their prime role. Second, this is an expensive use of resources. Nonwarlike tasks don't require military operational levels of self-protection and redundancy of features. To have them available is directly wasteful, in that they're overkill for the task, and indirectly wasteful, as the more expensive platforms wear out on tasks for which they're not optimised and thus become less available for more clearly military tasks.

Ultimately, capabilities make sense only in terms of the ways they're intended to be used.

Ultimately, capabilities make sense only in terms of the ways they're intended to be used. We know that there's no thought that the armed

Photo opposite: Ongoing NZDF effort to assist the peace process in Dili, Timor Leste. More NZ Troops arrive aboard an RNZAF C130 Hercules. Photo courtesy New Zealand Defence Force

forces are required to defend New Zealand against direct armed attack and that they're not structured or equipped to do so, although they do have a residual capability to confront an approaching enemy should that be necessary.

As discussed above, the three broad areas in which the armed forces are required to operate are:

- the immediate New Zealand area (within the 200-mile exclusive economic zone)
- the regional neighbourhood (all of the Australasian maritime area, the South Pacific and Antarctica)
- the wider world, as the military component of the government's foreign policy.

Over the 1990s and since, the NZDF's involvement in each of these spheres has varied, with most activity occurring in the wider world rather than in the immediate neighbourhood. This was because New Zealand didn't have the resources to carry out operational tasks simultaneously in the local area and further afield, and chose to focus its efforts on its international commitments. In the international arena, New Zealand had a much more significant presence than it had closer to home, with units and individuals all over the world on a range of combat, quasi-combat and peace-support tasks.

Within the immediate New Zealand area, the current inshore patrol craft are and have been only minimally effective, the frigate force has been used periodically (usually when on the way to somewhere further afield), and the maritime patrol aircraft have had a limited role in patrolling the exclusive economic zone.

Within the regional neighbourhood, the frigate force patrolled to assist the Pacific island states when on passage through the region, the Orion force conducted monthly surveillance patrols in support of the island states, and the Hercules forces supported New Zealand's Antarctic operation. The Army trained in the South Pacific periodically and provided troops to support, for example, peace initiatives in Bougainville.

From 2000, the government decided to focus the combat capabilities of the armed forces on combat commitments (normally wider world) and to acquire additional capabilities for the other commitments (normally closer to home and less likely to be warlike). New Zealand now has a two-tier defence force to meet these differing needs.

For tasks around the New Zealand coast and into the South Pacific and Antarctica, the new inshore and offshore naval patrol force and the multi-role vessel seem to be well adapted to their likely roles. These vessels aren't likely to face significant hostile activity but they have the ability to show New Zealand's face in a way it hasn't been shown for some time. As well, they'll reduce the need for the frigate fleet to patrol in the region, allowing the warships to train operationally and deploy on more warlike tasks. The multi-role vessel and the offshore patrol vessels are to be strengthened to operate in Antarctic waters; with the continued ability to operate the C-130 Hercules to Antarctica, that capability will strengthen New Zealand's presence in the region.

Of course, there's a land component to the region, and on land there are probably more military threats than at sea. Within the South Pacific, New Zealand has committed troops to potentially dangerous operations in Bougainville and Solomon Islands (and, to stretch geography, in East Timor), and there's no reason to assume it might not need to in the future. The Army can commit troops in a warlike role with light armoured vehicles and other combat support, or it can commit troops in a more administrative or logistic support role—for

natural disaster assistance, perhaps. In either case, it would doubtless be supported by the Navy's multi-role vessel and Air Force helicopters, which might fly to the area of operations or be transported by the multi-role vessel. This level of capability is probably more than sufficient for the kinds of roles the armed forces could face in the region.

Given a two-tier armed force, there's one remaining element of overkill within the local and regional areas. Airborne surveillance of the maritime region is still carried out by the P-3 Orion maritime patrol aircraft. These aircraft will eventually be able to operate in the highest of threat environments, and the sensors they deploy are more than are necessary for the anti-fishing vessel kinds of operations they more normally conduct in New Zealand and Pacific waters. It could be that a somewhat less capable aircraft would provide sufficient cover for these tasks, freeing the Orions for the higher end tasks they're capable of and also perhaps extending their expected life through fewer annual flying hours. Eventually, when the requirement for a new multi-engine training aircraft for the RNZAF is identified (the contract for its current aircraft ends in June 2008), the Air Force could decide that the new aircraft should have a dual role as advanced trainers and for local aerial maritime surveillance.

New Zealand is clearly able to meet its local and regional commitments, or soon will be, with the capabilities it has. The same is probably true of its international commitments, which are matters of choice rather than of necessity.

Operational tempo

NZDF chiefs all note that there are many demands on their personnel, with from several hundred to around 800 troops deployed operationally at any time in the past five years. Formally, the NZDF plans to have only about 300 of its members operationally deployed at any one time, but the government has regularly required more than that figure. In 2006 there were short-notice deployments to East Timor, Solomon Islands and Tonga, none of which had been foreseen or planned for.

Inevitably, the burden falls on some units rather than others. Warship and aircraft deployments are less of an issue for operational tempo, as they have specific maintenance requirements and are more or less clearly available or not available. The situation is more ambiguous for ground forces, as units and individuals can be used because they're physically available, even though they may be worn down. Unlike equipment, people have no mandatory maintenance period or servicing schedule.

Most of the troop commitments are of ground forces (mostly although not necessarily from the Army) and they affect both units and individuals. The effects of the continued company-size deployments in Afghanistan, East Timor and Solomon Islands are felt in several ways. When the deployed troops come continually from an infantry battalion, that battalion loses its capacity to work effectively as a unit because it has lost a significant percentage of its strength. As well, soldiers lose general military skills not directly related to the operation they are on, and they accumulate backlogs of leave entitlements and may be lost to the unit for a significant time beyond their actual operational deployment. For a period in 2005–2006, 2/1 RNZIR infantry battalion was 'effectively broken' because of the degree to which it had been used—a classic problem for a small force with continuing operational requirements and very limited redundancy. This problem can be fixed with time and effort, but it leaves gaps while the unit recovers itself. When other units are used in the 'infantry' role or when units are formed ad hoc to carry out operational tasks because an infantry unit isn't available,

there's a loss of primary capability for those units and there are losses in efficiency as the new units develop their skills. At the end of the deployment, the troops have to retrain in their original skill.

When individuals are deployed (for example, to a United Nations observer mission, to fill positions in a national headquarters supporting a deployed unit, or to an overseas headquarters as a staff officer), the effects are different but still severe. The requirement for individual personnel is normally for officers in the rank of captain or major (and equivalent). There are few such officers, and in any case they already have permanent positions. They have to be taken from their position, creating a gap, and they're likely to be called upon to deploy more than once at this rank level, potentially causing family and morale problems.

High operational tempos maintained over long periods are known to adversely affect not only training, but also morale and discipline, which are linked (Conetta 2006). Morale levels are shown, to some extent at least, by the rates at which the services keep and lose their people. Attrition rates (the levels at which personnel leave the services) are high but are coming down. The Navy and the Air Force had attrition levels of 13.6% and 11.9%, respectively, in 2004 (about at historical levels), while the Army's attrition was around 18% compared with a long-term average of 14.9%. The Army has consequently had problems ensuring that units are maintained at operational strength and has had to make operational deployments with 'mixed units' (that is, with soldiers from several branches of the service, rather than with infantry). Each of the services remains publicly confident that it can meet its operational requirements in the future, and all are putting considerable emphasis on their people and on being 'good employers'. If this doesn't work, the NZDF faces significant problems in the medium to short term—certainly until the operational tempo slows.

But this is all within the New Zealand context. Even with 800 personnel on operational tasks, the NZDF is using only some 9% of its personnel. If all the 800 came from the active duty Army, that service would be deploying about 15% of its total. For comparison, the US has 13% of its active armed forces deployed on operations and (assuming all deployments are based on both active and reserve forces) about 14% of army and marine corps numbers; the percentage is considerably higher if only active duty forces are counted. Australia has 11% of its active army deployed, and about 5% of its armed forces (assuming all those deployed came from the army). New Zealand is clearly making a substantial enough contribution (although somewhat less substantial if the number to be deployed is nearer 300 than 800, as the NZDF plans for), but on the face of it not one that should be overwhelming. Of course, there's a danger in comparisons such as this, in that they rely on unstated assumptions, take no account of national factors and might be missing details such as the heavier burden of fixed military infrastructures on a smaller country. Nonetheless, they do give an indication of effort and could point to areas that need further examination.

One effect of continual deployments and of the loss of trained people is the increased use of Territorial Force (reserve) soldiers. According to Defence Minister Phil Goff, since late 2006 reservists have made up 'the majority of the New Zealand's defence force commitment to the Regional Assistance Mission Solomon Islands' and will do so for at least the next twelve months. The use of formed Territorial units is a change in the approach to establishing Army operations. It doesn't necessarily mean that standards will be lowered, although a starting assumption must be that a professional unit with some years of group training will have a firmer professional base than a unit that's been formed recently from part-time soldiers. However, it shows that the operational tempo is having an effect on the professional Army,

forcing a rethink in how the Army will operate at least in the medium term. That rethink is being systematically worked through in an Army Configuration Review, which will lead to an Army Transformation Programme with a ten-year horizon.

The NZDF (and the Army in particular) can sustain deployments of 200–400 for a long period and should be able to do more than that. If it can't, the Army Configuration Review will no doubt indicate how to ensure that it can. However, whenever larger numbers are deployed for any length of time there's inevitably a short-term degradation in capability, as has happened already. The trick is to minimise the effects of sustained operations, probably by ensuring that there are sufficient units and personnel available for use and that they're rotated through the operational commitments.

Chapter 4

DEFENCE AND SECURITY RELATIONSHIPS

For a country like New Zealand, with defence choices rather than needs, and where the likelihood of completely independent operations is extremely low, capabilities need international relationships, and commitments are likely to be within such relationships. Without the ability to work with allies and potential partners, the capabilities lose a large part of their relevance. New Zealand has a wide range of defence relationships, but two are significantly more important than the others—those with Australia and the US.

Australia is important to New Zealand because of its geographical and cultural proximity.

Australia is important to New Zealand because of its geographical and cultural proximity. The two countries agree more than they disagree on most issues—indeed, outside observers sometimes have difficulty differentiating them. Because of its size and its greater interest in and concern with issues of defence and security, Australia is always likely to be the senior partner to New Zealand. Despite (perhaps because of) that, New Zealand asserts its independence from Australia whenever it considers it to be necessary.

The US is important to New Zealand for different reasons. It's the largest military power by any sensible measure, so it sets much of the international defence and security agenda. Inevitably, New Zealand is a consumer of that agenda and, as such, would like to be able to influence it to some extent.

Photo opposite: Australian Prime Minister John Howard (L) and US President George W Bush (R) and New Zealand's Prime Minister Helen Clark at the APEC forum in Chile. EPA via AAP/Ian Salas

... the New Zealand–Australia relationship is coloured by the New Zealand–US one.

The two countries have had a difficult relationship since 1986, when the US cut its security ties with New Zealand (institutionalised in the ANZUS Treaty relationship). The break followed a dispute over the role of nuclear power and weapons in the alliance and New Zealand's rejection of nuclear armed or powered vessels in its waters. From then until 2001, New Zealand had little more than 'correct' and limited defence links with the US. That meant that New Zealand lost all access to US military intelligence, privileged access to US equipment purchases, direct (although not indirect) access to US doctrinal thinking, much access to US training capabilities and, most importantly, the ability to measure its military capabilities against those of US units through participation in combined exercises.

These aspects have changed somewhat since 2001 and the advent of the war on terrorism, as New Zealand has been a strong contributor of troops and diplomatic support in Afghanistan and elsewhere, but there are still some outstanding issues for the two countries to work through, mostly related to enhancing the relationship rather than returning it to the *status quo ante*.

Although the Australian and US relationships are dealt with separately below, the New Zealand–Australia relationship is coloured by the New Zealand–US one. Many New Zealand officials believe that Australia is happy to have New Zealand out of the ANZUS system because this allows Australia to deal with the US on a bilateral basis rather than through the multilateral forum of ANZUS, in which its voice was diluted by New Zealand's. There are also assertions that Australia is more restrictive in its dealings with New Zealand 'to protect US interests' than are either the United Kingdom or Canada. New Zealand officials also believe that the intelligence and information-sharing system between the five states ('five eyes') has on many topics turned into a 'four eyes' system, restricting the information to Australia, Canada, the United Kingdom and the US. Whether or not these assertions and beliefs are objectively accurate, they colour the relationships, especially that between New Zealand and Australia.

Australia

The tie with Australia is New Zealand's most important defence relationship. That priority is not reciprocal, although Australia recognises New Zealand's general utility as a defence partner. New Zealand and Australia have historically not had a particularly close defence policy relationship (as opposed to operational relationships) in practice, although the public rhetoric has always been strong. In private, at least on the New Zealand side, official discussion in the 1940s about the relationship was scathing (McGibbon 1993: 179, 181), and there's some evidence that that attitude continues on each side. This isn't unusual in the world of diplomacy, and too much shouldn't be read into it.

In World War II, the two countries differed over the relative priority to be given to defence of the collective alliance (New Zealand's priority) over defence of the immediate homeland (Australia's priority). After the war, Canberra emphasised military defence and a military relationship with Washington far more than Wellington did. In effect, New Zealand decided that it could (or would) do little more than make a token gesture towards military defence

and that its armed forces would mainly be useful in supporting national foreign policy interests, rather than in protecting immediate homeland security (Rolfe 1995: 3). Australia took the lead in a range of military initiatives in the 1950s and 1960s, more or less expecting New Zealand to follow along.

In the mid-1980s, New Zealand withdrew (or, depending upon one's point of view, was removed) from the trilateral ANZUS relationship. Since then, many Australian commentators have seen New Zealand as a free-rider on Australia's security efforts and irrelevant to Australia's security needs. This attitude is perhaps epitomised by the comment of a senior Australian strategic analyst that New Zealand was into 'what's called the flat earth policy', did not have a 'schmick of an idea' about its regional responsibilities and was 'becoming increasingly a strategic liability for Australia' (Dibb 2000, Richardson 2001). Other Australian commentators talk about New Zealand 'taking the NZ out of ANZAC' (O'Connor 2002).

Officially, the relationship is described as 'good' and 'very productive', with New Zealand complementing Australia's policies in the immediate region and supplementing Australia's capabilities with its own. Less than officially, but authoritatively, the attitude towards New Zealand has been described as 'Bugger them' (Quigley 2006: 108). In 2003, Australia's High Commissioner to New Zealand noted formally that New Zealand 'risks getting left out in the cold as Canberra strengthens military ties with the United States' because 'New Zealand has made some decisions about its defence force that are quite different to the direction in which Australia is going'.

Despite their policy differences, both sides have attempted to make the relationship work within the constraints of different strategic perceptions leading to significantly different levels of defence expenditure and different relationships with the US.

Also officially, Australia is happy with New Zealand's commitment to responding to shared concerns and its capability enhancement program. Indeed, Australia's 2000 Defence White Paper noted (specifically discussing New Zealand's commitment of troops in East Timor in support of the Australian-led intervention) that 'the high quality of New Zealand's forces is beyond question ... New Zealand will remain a very valued defence partner for Australia'. The same document also noted New Zealand's strategic perceptions and combat capability less happily:

> But New Zealand's strategic perceptions and outlook differ from Australia's in significant ways. New Zealand's view that its strategic circumstances may not require the maintenance of capable air and naval forces differs from Australia's view of our own needs. We would regret any decision by New Zealand not to maintain at least some capable air and naval combat capabilities. Such forces would allow a more significant contribution to be made to protecting our shared strategic interests, especially in view of the essentially maritime nature of our strategic environment.

By 2005, Australia's official view of New Zealand was limited to the comment that the relationship remained 'of vital importance', that the two countries 'shared many strategic goals' and that the two countries would continue to increase their capacity to work together.

Despite their policy differences, both sides have attempted to make the relationship work within the constraints of different strategic perceptions leading to significantly different levels of defence expenditure and different relationships with the US. Since 1991 the two countries have formally institutionalised their relationship, using the term 'Closer Defence Relations' (CDR). Under CDR, a range of committees and working groups has been formed and there's a conscious effort to harmonise defence policies and approaches. Today, CDR 'provides a framework for continuing to increase levels of interoperability and to explore opportunities for cooperative development of capability' (Rolfe 1995). According to senior Australian officials, the high-level committees supporting CDR are 'very productive', although with some there's 'too much talk and not enough movement'. To support and reinforce the formal committee and working group system, there are very close working relationships between the headquarters staffs on each side of the Tasman. Practical cooperation between the countries is shown, for example, by the use of HMNZS *Endeavour*, New Zealand's replenishment ship, as the tanker to support Royal Australian Navy training and by the use of New Zealand's strategic air transport fleet to deploy Australian troops to Solomon Islands.

At the strategic level, there's no doubt that if either New Zealand or Australia were militarily threatened the other would provide its full military support. This would be both on pragmatic grounds (if either country were directly threatened, eventually the other would be) and on relationship grounds (the countries are culturally and emotionally too close to ignore each other in times of need).

In strategic policy matters, Canberra and Wellington have diverged slightly in their understandings of the international environment and the ability of armed force to provide solutions. For operational policy matters, they coordinate closely such matters as the direction of military aid to the South Pacific and military maritime surveillance of that region. At the more practical level, the range of operational interactions between Australia and New Zealand is wide. In the 1950s, 1960s and into the 1970s, the armed forces were formally linked in the Commonwealth Brigade based in Malaysia and Singapore and in combined operations during the Malayan emergency, the confrontation with Indonesia and the war in Vietnam. In more recent years, the armed forces have worked closely together in support of peace operations in Bougainville, East Timor, Solomon Islands and Tonga; military units exercise together regularly; the two countries share almost identical tactical and operational doctrines across the whole spectrum of military activities; and there's a considerable degree of interoperability of equipment.

Despite the practical closeness of the defence relationship, each country has quibbles about both the depth and the breadth of the relationship. Australia is understandably focused on its relationship with the US. The Australian public has little interest in New Zealand. Indeed, the term 'Anzac', used in New Zealand to symbolise the relationship between the two countries, is as often used in Australia to symbolise the time 'when Australians came together' and formed the qualities of 'mateship and courage in the face of adversity' that represent the national character (Grattan 2005, Marszalek 2006)—no mention of New Zealand there. Australian officials are as often impatient with what they see as New Zealand's importunate demands for time, information and assistance as they are sympathetic to New Zealand's desire to participate in military activities in an effective and timely way.

Unofficially, although acknowledging the value of New Zealand's direct support in various regional contingencies, and of specific capabilities such as those provided by the strategic

air transport fleet (a 'very important' supplement to Australia's own capacity, without which 'we would have had considerably greater problems deploying to East Timor than we did') or the naval replenishment ship, Australian officials believe New Zealand can and should do much more, especially in the 'hard stuff' of combat capabilities and readiness to engage operational forces in the wider region. Specific issues that are regularly raised concern New Zealand's perceived non-serious approach to defence issues (epitomised by the gutting, as the Australians see it, of New Zealand's combat capabilities), its reluctance to 'buy Australian' in defence equipment decisions, its assumption that it is or should be an equal partner of Australia on defence matters, and its slowness in decision making.

Australian officials believe New Zealand can and should do much more ...

New Zealand officials and commentators understandably have a different view. They generally acknowledge that New Zealand has to work harder at the relationship than does Australia because there's more in the relationship for the smaller partner. New Zealand officials argue that they're completely serious about defence issues, but that New Zealand defines its needs and interests for itself and not to reflect an Australian view of the world. In this line of argument, New Zealand can't be accused of free-riding because that would require some prior agreement on the level of commitment by each side. Thus, the disbanding of the air combat force and the shift of balance from a warship navy towards a patrolling navy were completely rational decisions that demonstrated a properly serious approach to examining 'real' rather than 'imaginary' defence needs.

Some on the New Zealand side of the debate perceive a reluctant admiration by some Australian analysts of New Zealand's readiness to make hard decisions, and even a belief that Australia could profitably conduct the same form of analysis on its own needs and capabilities. New Zealand also points to capabilities that Australia doesn't have or doesn't have enough of, and notes that New Zealand's Pacific maritime patrol, naval and strategic air transport capabilities are all force multipliers, allowing the two countries a wide range of options in any local or regional situation requiring a coordinated or cooperative military response.

New Zealand officials acknowledge some reluctance to buy Australian equipment, not because it's Australian but because Australia often adapts standard production versions of equipment to meet its own specialised needs. New Zealand doesn't necessarily have identical requirements and feels no need to subsidise the Australian defence industry to acquire equipment that's designed specifically to Australian specifications, is more expensive than from other sources, is untested and comes from a new production facility. New Zealand prefers to buy equipment that's already in service and with a proven record. Recent purchases in which New Zealand chose a different version of the same basic piece of equipment include the light armoured vehicle, the utility helicopter and the naval helicopter. In each case, New Zealand decided that it would be better served by going down its own path and remains satisfied with its decision. Australian officials are not, although they acknowledge New Zealand's right to make the decisions.

New Zealand sees no dilemma in wanting to be treated more or less equally by Australia. New Zealand took the lead in the Bougainville peace process because Australia was unacceptable to the protagonists in the dispute, and led the 2006 combined deployment to Tonga because Tonga is within New Zealand's unofficial 'sphere of responsibility'. New Zealand's ability to lead on these kinds of missions argues for an equal role with Australia in decision making on issues that affect both countries.

Officials and commentators also argue that New Zealand, because of its soft power and non-nuclear credentials, gives legitimacy to operations. If New Zealand accepts the validity of an operation (such as the initial Australian-led military intervention in East Timor), the argument goes, other states are more likely to participate than if Australia attempts to mount an operation without New Zealand's support. New Zealand also believes that its views are as legitimate as Australia's—for example, on whether the force in East Timor should be under United Nations auspices (the New Zealand view) or under Australian control (the Australian view)—and should be taken into account where the two countries are working together.

Policy recommendations to reflect the current realities and future possibilities of the relationship are given in the chapter 'The way ahead'.

United States

From its entry into World War II in 1941 until 1986, the US loomed large in New Zealand's strategic thinking as the dominant allied military power, especially from 1951, when the countries formally entered an alliance relationship through the ANZUS Treaty. Since 1986, the US has continued to occupy much of New Zealand's thinking, but less in terms of the alliance and more in terms of living without the alliance.

The change in thinking over the years is shown in the change in language about the relationship.

The change in thinking over the years is shown in the change in language about the relationship. In 1950, a printed but unpublished Defence White Paper discussed 'New Zealand's community of interest with the United States in the defence of the Pacific' and explained that to 'maintain contact with the United States defence authorities New Zealand maintains a small Service Mission in Washington' (NZG 1950). In 1972, a Defence White Paper (NZG 1972) asserted that the 'keystone of New Zealand's security since 1952 has been ANZUS ... the ANZUS Treaty is basic to New Zealand's defence policy'. By 1997, 'the longstanding pattern of security cooperation based on the ANZUS Treaty' had ended and it was merely 'in the interests of both sides to work together as closely as possible' (NZG 1997). The relationship was not mentioned at all in policy documents published in 2000, but by 2006, according to Minister of Defence Goff, New Zealand again 'looks for a forward-looking and positive defence relationship with the United States that enhances our ability to work together in support of our common international and regional security interests'.

The changes in the rhetoric of the relationship over the years are interesting. More important is to determine how two countries with similar values and world views can work effectively

together to ensure international and regional security, despite having policies in place which make that difficult. The issues are both simple and intractable.

In 1985, following the 1984 election of a new government from a party with firmly antinuclear credentials, New Zealand decided that a planned and previously agreed visit by a US warship shouldn't go ahead, on the grounds that it was not clearly non-nuclear armed and the US would not declare it so because of its 'neither confirm nor deny' policy on nuclear weapons. This position was a surprise to the Prime Minister of the day, who had been away and returned to New Zealand only shortly before the Cabinet meeting that discussed the issue and hadn't been briefed by his Cabinet colleagues on their thinking. It was an even greater surprise to the New Zealand officials who had negotiated the visit of a ship with, in practical effect, no nuclear capability (Hensley 2006: 278–280).

American officials who'd been involved in the original negotiations considered the decision to be a betrayal, not only of what they believed had been a firm agreement between Prime Minister Lange and American Secretary of State Shultz, but also of the spirit of the ANZUS alliance.

New Zealand's position was later reinforced with the passage through Parliament of the New Zealand Nuclear Free Zone and Disarmament Act. The Act banned not only nuclear weapons but also nuclear-powered vessels from New Zealand and banned the New Zealand armed forces from supporting nuclear activities.

The US considered that this would make the alliance inoperable on the practical grounds that it could not and should not have to try to make separate decisions about ship tasking for New Zealand and New Zealand related activities, and on the ethical grounds that any state has both responsibilities and rights in any relationship including an alliance. Washington was also taking precautions: it didn't want other, more important allies (such as Japan) with similar aversions to things nuclear adopting similar policies.

The formal position, defined in a 1985 National Security Decision Directive (commonly referred to as a Presidential Directive), was that 'New Zealand cannot enjoy the benefits accorded a good ally without complying with the responsibilities' (USG 1985). Richard Solomon, then Assistant Secretary of State for East Asian and Pacific Affairs, fleshed out the substance of that position in 1991:

> ... alliances a la carte will not work. Nor can one member of an alliance adopt policies that compromise the ability of an ally to meet its responsibilities and still expect to enjoy the benefits of collective security. Shared responsibilities and shared benefits are but two sides of the same coin. (Solomon 1991)

In brief, New Zealand today doesn't allow nuclear-armed or nuclear-powered vessels to enter the country and reserves the right to declare vessels as either nuclear armed or not. New Zealand doesn't seem likely to alter this position, despite the publication in 1992 of a report that concluded that 'the presence in New Zealand ports of nuclear powered vessels ... would be safe' (Somers 1992: 173).

However, New Zealand strives to work with the US in every area it reasonably can ('reasonably' here meaning that the cooperation has to take account of New Zealand domestic opinion and of other policies, such as privileging the United Nations ahead of state preferences). For example, New Zealand has supported Operation Enduring Freedom with

vessels, troops and aircraft and has continued to give blanket clearance for US support of its Antarctic program, Operation Deep Freeze, through its Christchurch base.

For its part, the US today supports New Zealand's operational activities and training for them, provided a waiver to the policy restrictions is sought from the Office of the Secretary of Defense. Such a waiver can normally be gained if Wellington gives enough advance notice and if the activity is related to a priority held by the US. Washington freely allows individuals to train in the US. However, it won't permit New Zealand access to US-sourced intelligence on non-operational matters and won't give a waiver for New Zealand units to exercise or train with US forces where there's no immediate operational requirement, even when the host is a third country.

New Zealand's position wouldn't be a practical imposition for the US, which has no nuclear weapons on any surface vessel likely to visit New Zealand and still has many non-nuclear powered vessels in its fleet, if the US chose it not to be. Washington does, however, object to any country declaring the nuclear-weapons status of a US vessel, whether accurately or otherwise. It also continues to worry about the flow-on effect of the nuclear aversion and continues to believe that, in any case, allies should make allowances for their partners (New Zealand makes the same point, but in the other direction). Given the lack of nuclear weapons on its surface fleet, the US would possibly (or possibly not—official opinion varies) be satisfied with New Zealand adopting the spirit of the 1992 Somers report and lifting the ban on nuclear-powered vessels, in which case it would choose an 'appropriate' ship to send to New Zealand.

Neither the US nor New Zealand believes, officially at least, that the impasse between the two countries can be solved by examining the merits of either country's position.

Neither the US nor New Zealand believes, officially at least, that the impasse between the two countries can be solved by examining the merits of either country's position. Unofficially, participants on each side of the debate believe that their own side might be able to make a move that the other would find acceptable. That's not likely in the short term for many reasons, the most compelling being that domestic politics in New Zealand and bureaucratic politics in the US wouldn't allow it. In any case, according to US officials, the Presidential Directive mandating restrictions on the New Zealand relationship can only be altered by another directive, and that would be administratively difficult in the absence of a compelling reason.

The immediate effects of the US policy are felt mainly by the NZDF, as it doesn't receive military intelligence (although other intelligence linkages are maintained) and it can't participate in routine training exercises with the US. The latter effect is probably harder on the NZDF than the former. Operational intelligence is available to the NZDF, and that's the most important issue. On wider strategic issues, it's probably good that New Zealand develops its own capacity to produce intelligence for itself.

Even routine exercising is less of a problem in 2006 than it was in 1996. New Zealand has had to develop alternatives to US-based exercises, and those alternatives are often more

appropriate than their predecessor exercises. However, what they don't do is allow the armed forces to measure themselves against the most technologically advanced state. The NZDF therefore lacks recent experience in working with (or against, in exercise terms) the most advanced technology, and so may lack confidence in the forces' ultimate skill levels.

Given that neither country believes it to be sensible to continue to discuss each other's policy position, and given that each wants to work with the other, officials have to find ways to develop mutually beneficial military interactions within the letter of the Presidential Directive. This means that the interactions need to be in the realm of the War on Terror or on some other operational requirement, for which waivers from the terms of the directive can be relatively easily gained, or be focused on security issues more widely defined than purely military, in which case the directive doesn't apply.

Today the US accepts that New Zealand isn't going to change its non-nuclear policy ...

Today the US accepts that New Zealand isn't going to change its non-nuclear policy, although it believes New Zealand should because that position isn't reasonable in the current geostrategic environment. Wellington accepts that Washington isn't going to change its policy in relation to contacts between the armed forces, although it believes it should because of New Zealand's commitment to and support of the US on a range of issues important to the US.

At the strategic level, this means that there's no possibility of ANZUS being revived in its trilateral form, or any similar trilateral alliance relationship being developed. In any case, policy officials in both countries see a trilateral ANZUS or any replacement as being irrelevant to the needs of the current environment, and see proponents of such a relationship as looking to the Cold War for their strategic thinking. According to one senior US official, 'the world has changed significantly in the 20 years [since the breakdown in relations]'. Neither country today wants a formal military alliance relationship, and each believes that such an initiative would be a distraction from the real needs of both countries. Instead, the two countries are working both to improve their operational relationships and to open new areas for cooperation.

Operational relationships are associated primarily with the War on Terror. New Zealand's main direct linkages for this are with US Central Command (Centcom), based in Florida. New Zealand has liaison officers at Centcom, New Zealand units involved in operations work through Centcom, and operational training is done under Centcom's auspices. Partly because the relationship is directly related to operational activity and perhaps partly because the relationship doesn't carry the direct historical baggage of the nuclear issue (which affected US Pacific Command, Pacom), the relationship works well. In effect, what New Zealand needs in terms of training or operational support, New Zealand gets.

Even where activities aren't channelled through Centcom, if they're clearly operational, New Zealand has few problems in participating; for example, activities under the Proliferation Security Initiative (PSI) and primarily having a maritime focus. Ironically, US forces have had to get waivers from the US Government to participate in

third-party-hosted PSI exercises because New Zealand has been invited by hosts who were not inclined to bar New Zealand to conform to US policy. Similar situations have occurred elsewhere on non-operational exercises, for example as part of Western Pacific Naval Symposium activities.

There are no limitations when the activities move beyond the strictly defence field. New Zealand and the US both recognise that it makes sense to cooperate to ensure common security, so the issue for each country is to work out how to achieve that. Since mid-2006, officials have been working on several fronts. Most importantly, they're redefining the relationship so that it focuses on 'security' more widely defined, rather than 'defence' or 'military activity'. To that end, they see the possibilities for greater cooperation to achieve security objectives in combating transnational crimes such as drug smuggling, people smuggling or illicit arms transfers. A practical outcome has been that a New Zealand police officer has been appointed to Pacom Headquarters as a liaison officer with the Joint Inter-Agency Task Force West, a US regional counter-drugs initiative.

Other practical areas that could be worked on together include combined planning, for example to deal with pandemics or similar contingencies in the South Pacific. Regional engagement with Pacific island states is a priority for both states, although one in which the US would happily allow New Zealand to take the lead. Once the offshore patrol vessels are commissioned, New Zealand should invite the US Coast Guard (part of the US Department of Homeland Security, not the Department of Defense) to work with the Royal New Zealand Navy in a regional activities program. New Zealand is helping South Pacific states to enhance their maritime security, such as through security upgrades of ports and related facilities, and the US Coast Guard could also be invited to participate in this kind of program.

At a higher level, Wellington's non-nuclear credentials can work to Washington's advantage when the two countries are dealing with nuclear issues.

At a higher level, Wellington's non-nuclear credentials can work to Washington's advantage when the two countries are dealing with nuclear issues. According to US Assistant Secretary of State Christopher Hill, 'We know that New Zealand in particular has had an antinuclear bent and we certainly think we can talk to New Zealand about what we can do together in terms of strengthening non-proliferation' (Young and Berry 2006). This is an area where New Zealand's soft power could often be useful to the US. For example, since mid-2006 New Zealand has been a member of the so-called 'five plus five' group working to resolve the issue of North Korea's possession of nuclear weapons. It's a part of that group because of its Western yet antinuclear values. No doubt there are other areas in which New Zealand could work closely with the US on issues of common concern.

This kind of 'real world' cooperation resonates with US policy-makers. It should be reinforced by building a constituency within the US ready to promote New Zealand's value to the US. And it should be leveraged by looking for easy quid pro quo responses the US could make in the security arena, such as giving blanket waivers for cooperative military activities under

the PSI relationship, or blanket waivers for the two armed forces to have informal and social dealings with each other when ships meet in foreign ports.

New Zealand's credentials should also be reinforced by more regular visits by senior New Zealand military and civilian defence officials, both to the Pentagon in Washington DC and to the Hawaiian headquarters of Pacom. Although New Zealand should also press for appropriate senior US officials to visit New Zealand, the onus would seem to be on New Zealand to take the initiative in the relationship. The purpose of regular visits would be to familiarise each side with the other, to examine substantive policy issues of interest to each side and to determine how to advance the relationship. At the moment, visits are limited, although there is a program of working-level meetings to work out the possibilities for the relationship overall.

New Zealand's Secretary of Defence and the service chiefs of staff should know their counterparts well; currently, they do not. At the working level, New Zealand policy officials should meet regularly with their Pacom, Centcom and Pentagon counterparts; again, they do not. Relationships exist, but they're not systematic; New Zealand should work to make them so. The more the US can see that New Zealand is useful to it, the more that personal relationships can be developed between the two countries and the more the US re-learns that working with New Zealand isn't a recipe for disaster in other security arenas, the easier the two countries will find it to develop ever more substantive relationships. One caveat is that New Zealand must work to ensure that it's not seen, as some US officials do see it, as a country that says one thing in the meeting room and another to the media: 'We can't have good meetings behind closed doors and bad sound bites outside.'

Wellington is doing whatever it can think of to demonstrate to Washington that it's a good, conscientious and reliable international citizen and friend of the US. New Zealand has had troops in every operational area the US considers to be important (although engineer troops in Iraq in 2004 were not deployed in support of Operation Iraqi Freedom, but in accordance with a subsequent United Nations resolution), works closely with the US on many issues important to the US, and works hard to demonstrate its value as an essential interlocutor for western interests in the South Pacific.

For New Zealand, it's a difficult task. While many in the US State Department and some in the Department of Defense and the US military value New Zealand and its contribution to security activities and to regional stability, others remain sceptical about a country that won't accept US warships into its ports, doesn't completely accept the US definition of the threat, won't deploy troops in support of the war in Iraq, and in any case is so small as to be almost irrelevant in any material sense. To the critics, New Zealand doesn't recognise that the US Navy gives security to New Zealand and to the region generally, is overconfident about its abilities, continually boasts of punching above its weight when it's barely punching at all and, above all, needs to acknowledge publicly that the US is important to New Zealand and that the US has valid policy concerns about New Zealand's position on nuclear issues.

Until the policy concerns are addressed, New Zealand and the US aren't going to have a full relationship. The two countries will be able to work on the margins and widen the areas of routine interaction, but they won't be able to become close in any military sense until one side or the other changes its position. That won't happen in the short term.

Chapter 5

THE WAY AHEAD

This survey of New Zealand's defence capabilities, commitments and relationships shows several things:

- New Zealand has a clearly defined set of roles for its armed forces and is well on the way to ensuring that those roles can be performed.
- The roles New Zealand has set for itself are defined by New Zealand to meet New Zealand's interests, but there's considerable actual and potential overlap between New Zealand's and Australia's interests and military capabilities.
- New Zealand willingly accepts international security commitments and contributes effectively to them.
- New Zealand's relationships with its two closest defence partners are characterised by robust debate and a fair degree of mutual respect, but also some mutual lack of comprehension about each other's motives and actions.
- New Zealand has a close working relationship with Australia, but it could be closer.
- New Zealand and the US are working to redefine their relationship to attempt to build a more effective security partnership that transcends their differences over the role of nuclear power and weapons in the defence relationship.

These are all very positive factors.

To its critics, however, New Zealand doesn't do enough in absolute terms either to ensure its own defence or to contribute to the defence of shared values and interests. The New Zealand Government rejects that line of argument, but to reject it is not to refute it, and

Photo opposite: Exercise Ocean Protector is an annual combined maritime exercise. The exercise brought together naval and air force units from Australia and New Zealand. They conducted a range of training activities off the east Australian coast to develop and test maritime war-fighting skills. © Defence Department 2006

no doubt the criticisms will continue. New Zealand has to accept that it will be judged and, if it's perceived (logically or illogically) to be doing too little, will have to accept the possible consequences—which might include Australia or the US choosing not to support New Zealand in areas important to it.

Much of New Zealand's defence transformation depends on the successful introduction into service of large (by New Zealand standards) quantities of new equipment. If that doesn't work, the transformation could be disrupted significantly.

There are potential practical problems in all the areas addressed in this paper. Much of New Zealand's defence transformation depends on the successful introduction into service of large (by New Zealand standards) quantities of new equipment. If that doesn't work, the transformation could be disrupted significantly. Even if the transformation works, the armed forces still need enough personnel to operate the equipment and deploy it when required. Attrition rates seem manageable at the moment, but they have a tendency to rise at short notice and within particular specialist occupations. The NZDF will have to spend considerable time ensuring that its personnel numbers and skills meet the specific needs of the new force.

New Zealand's relationship with Australia is affected by its relationship with the US. The trilateral relationship, as a formal strategic alliance, is no longer either viable or relevant. Each of the bilateral relationships will develop according to the needs of the partners, and the three countries will work together when and where appropriate. New Zealand should take a range of actions, discussed above, to improve its relationship with the US.

In its relationship with Australia, New Zealand probably demands more than it should and gives less than it could. This paper has elucidated some broad understandings of New Zealand and its military capabilities and relationships. Australian policy-makers should take these as working propositions when dealing with New Zealand:

- New Zealand is important to Australia, and vice versa.
- New Zealand's military capabilities both complement and support Australia's.
- It benefits Australia when it actively engages New Zealand in bilateral, regional and international security issues, even when dealing with New Zealand takes time from other tasks.
- New Zealand could do more if it were more engaged by the US.
- In the longer term, it doesn't benefit Australia for New Zealand and the US to have a less than close relationship, even if a closer relationship between those two countries might appear to relegate Australia in American eyes. It wouldn't—this isn't a zero sum game. In any case, Australia's value to the US is different from any value that New Zealand might bring.

If these propositions are accepted, Australia should work to develop its relationship with New Zealand, listen to New Zealand to try to understand its point of view, encourage

New Zealand to see the world and especially the US relationship from Australia's perspective, and (even when there's disagreement about ends and means) always work to emphasise the points of agreement. The two countries are different, with distinct national cultures and distinct understandings of the world, but that doesn't mean there's no common ground. There is, and it's greater than the differences.

There's no doubt that New Zealand will always be the junior partner to Australia in the overall defence relationship.

There's no doubt that New Zealand will always be the junior partner to Australia in the overall defence relationship. Therefore, to get its voice heard, New Zealand needs both to invest strongly in the relationship and not put too many demands on it. New Zealand needs to continually assert its position to Australian elites. To do that successfully, it needs to work out specifically what value it adds to Australian positions and to the combined capability, and continually send the message that it's adding that value. One practical step to increase mutual understanding would be for the two countries' parliamentary foreign affairs and defence select committees to meet in joint session periodically to conduct combined hearings on the defence relationship and to carry out cooperative investigations on issues of mutual interest.

At the more immediate working level, New Zealand needs to have more personnel embedded within the Australian defence system as exchange officers and liaison officers. This would allow information on Australian thinking and decisions to get back to New Zealand quickly without distracting Australian policy-makers who don't necessarily want to have to give time to New Zealand's requests for information when they (the Australian policy makers) are not yet ready to deal with the issues outside their own policy system. The one potential drawback in this involves Australian 'protection' of US-sourced intelligence material from New Zealand access. Australia argues that it's following the rules, New Zealand that Australia is interpreting them somewhat more stringently than do Britain or Canada. It should be possible to work out suitable protocols to ensure both access by New Zealand to Australian policy-makers and processes and protection of American intelligence.

There are areas in which New Zealand could do more to demonstrate its partnering credentials. Both countries accept that the immediate South Pacific neighbourhood is important to them. It's not likely to be a source of direct military threat, but regional instability is at best a distraction and at worst might pose an indirect threat to the two countries' interests.

Military assistance to the region, both in training the small regional armed forces and in providing social assistance in the form of medical, dental and engineering support, is likely to reduce instability and increase the capacity of regional states to support themselves. New Zealand spends very little on its Mutual [military] Assistance Programme (MAP) within the region (in 2006–07, some NZ$1.9 million). In its equivalent program, Australia spent nearly A$40 million in 2004–05.

At relatively little cost, New Zealand could increase its MAP spending by a large percentage. This could be done by allocating more funding to the program and doing more in all program areas, or even more simply (as a start) by setting aside berths in the new patrol vessel fleet for training Pacific island naval personnel who operate the Australian-funded Pacific Patrol Boat Programme. Or the patrol boat program could be funded explicitly. At the moment, Australia funds capital costs and the national governments are expected to find the money to operate the boats. In practice, they don't (and probably can't), so the region isn't patrolled as much as it should be. This means that the capital funding provided is nowhere near as effective as it should be. New Zealand could fund the operating costs of this program, while Australia funds capital and maintenance costs.

Additionally, as New Zealand's offshore patrol boats become operational, the two countries should coordinate patrol boat operations in the South Pacific, not only for fisheries surveillance but also for general regional 'policing' and showing the flag. However it occurs, an effectively patrolled South Pacific region would be in the interests of Australia, New Zealand and the region itself. Maritime patrolling could also be carried out cooperatively in the Antarctic and Southern Ocean. Both countries have interests there, and New Zealand's new multi-role vessel and the offshore patrol boats will be capable of operating in those waters.

Another area in which New Zealand could work more closely with Australia is in combined contingency planning. There are (or have been, over the years) combined plans for responding to natural disasters and to civil emergencies in the region, and the two countries coordinate their maritime patrol efforts. It would make sense for the countries to prepare contingency plans (including committing resources) to a range of additional potential activities where a combined response would be sensible. For example, these could include responding to a pandemic in the region or preparing, with the island countries, detailed responses to a range of transnational threats in the South Pacific.

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Although both Australia and New Zealand accept that each would respond to a threat on the other, at the more military (and unlikely) end of the continuum it would make sense for New Zealand to examine whether it could or should take responsibility for a particular component of the defence of Australia. Sovereignty is always an issue, but if the countries accept that help would come in any case, the assistance should be planned for. Realistically, for this to occur Australian officials and politicians would have to be much more convinced than they currently are that New Zealand has and will continue to have a completely serious attitude towards defence matters. If that change of heart were to occur, Australia could then

work with New Zealand much more closely than it does to ensure that each country has congruent levels of technical capacity, complementing and supplementing each other by design rather than by coincidence.

In summary, and taking all components of the armed forces into account, the 'NZ' leg of both the Anzac and ANZUS defence relationships is strong and getting stronger (although ANZUS has no current standing as a tripartite treaty system). Allowing for its significant limitations of small size and lack of political will to spend appreciably more on defence, New Zealand is as capable today as it has been in the past thirty years, and as capable as it needs to be.

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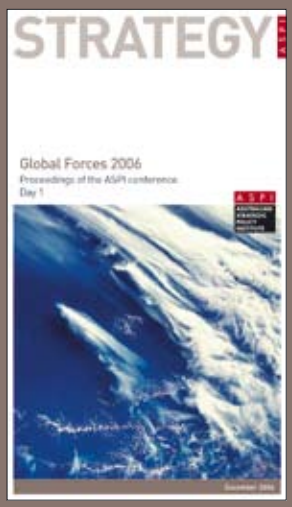

Cutting their cloth
New Zealand's defence strategy

New Zealand is a firm supporter of international regimes designed to maintain international peace and stability. The military component of that support is contributed through the New Zealand Defence Force (NZDF). The NZDF is a small organisation by any standard, but despite its size it maintains a range of international relationships and capabilities to allow it to function effectively in specific niche roles.

New Zealand is criticised by some, especially in Australia, for doing too little in military matters and for not being serious about defence (evidenced by a perceived lack of warfighting capability within its armed forces). Other critics, in both Australia and the US, decry the way New Zealand 'destroyed' the trilateral alliance that bound the three countries in a formal security relationship from 1951 until 1985.

In this paper, Jim Rolfe traces the processes by which New Zealand determines its defence needs and maintains its policy directions while also managing its relationships with its important defence partners, Australia and the US. The study shows that, despite scrapping its air combat force, New Zealand has upgraded the capabilities of the NZDF so that it can operate effectively in its local area and the immediate region, and can contribute combat elements such as special forces or warships to international operations if required.

New Zealand's international military relationships are important to it. The relationship with Australia is the most important and remains close, although the two countries have different policy outlooks at the strategic level. The relationship with the US hasn't been close since the mid-1980s, when New Zealand adopted a range of non-nuclear policies. Washington considered that these placed onerous restrictions on its ability to send warships to New Zealand, and that this was not how an ally should behave. The US withdrew its security guarantee from New Zealand and halted most forms of military cooperation. Since 2001, New Zealand has been an active participant in the global war on terrorism, prompting moves by both countries to redefine the relationship to focus less on defence and more on security, widely defined.

Overall, New Zealand's defence capabilities supplement and complement those of Australia. They are important in maintaining regional security and they demonstrate New Zealand's commitment to contributing to international efforts to maintain peace and stability.

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