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Blueprint for Defence:
Labour-Alliance Defence Policy and the
Inquiry into Defence Beyond 2000

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“We’ve always said that defence beyond 2000 was the blueprint.”

Rt. Hon. Helen Clark¹

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List of Abbreviations

DONZ 1991

Defence of New Zealand: A policy paper, (1991 Defence White Paper)

DA 1996

1996 Defence Assessment

SONZD 1997

The Shape of New Zealand's Defence, (1997 Defence White Paper)

DB2K Report

Inquiry into Defence Beyond 2000: Report of the Foreign Affairs, Defence, and Trade Select Committee

GDPF 2000

The Government's Defence Policy Framework

NZFSPC 2000

New Zealand's Foreign and Security Policy Challenges

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Introduction

New Zealand's defence policies and the New Zealand Defence Force's (NZDF) military capabilities have long been the subject of vigorous public debate. At the centre of the debate have been questions over the need to retain military capabilities usually associated primarily with fighting wars, rather than performing tasks of a lower intensity. This debate reaches a crescendo whenever these capabilities require restoration or upgrading. In the late 1980s and throughout the 1990s, the plans to replace the Royal New Zealand Navy's Leander class frigates with ANZAC class frigates and the Royal New Zealand Air Force's Skyhawk fighters with F-16s occasioned some of the most sustained and bitter disagreements that New Zealand has ever seen.

Underlying the debate over capabilities are deeper divisions over a range of issues, such as the appropriate role for the NZDF when the odds in the short to medium term of an attack on New Zealand are so slight. Defence policy statements under successive National-led Governments during the 1990s argued that despite the absence of a military threat, New Zealand's defence policy should be premised on the possibility that a serious military contingency affecting New Zealand's interests could occur well before New Zealand could raise forces to meet the threat – hence the need to retain the widest possible range of options even in times of relative peace.² It was further argued that other useful objectives would be met by this policy. Critics of this position argue that defence policy would be eminently more useful if it were to concentrate on meeting challenges and performing tasks that can be more confidently expected in the short to medium term. Peacekeeping is often said to be foremost among these tasks.³

Central to the dispute over policy and capabilities have been concerns over (lack of) money and the relative priorities of spending scarce public funds on military capabilities that are probably unlikely to see combat versus capabilities that stand a high chance of being used for peacekeeping. To some observers, the deployment of a New Zealand Army company to Bosnia in

1994 demonstrated that the choice to maintain frigates and fighters (which are better suited to war than peacekeeping) had caused essential resources to be drawn away from the Army, leading to increased risk for its personnel.⁴ It is sometimes also argued that New Zealand's relative safety from attack means that increased health and education spending should be provided before items of capital equipment such as frigates and fighters are purchased.⁵

It was in the context of this long-running and passionate debate that the Foreign Affairs, Defence, and Trade Select Committee Inquiry into Defence Beyond 2000 was conducted. Chaired by ACT Party MP Derek Quigley, the Inquiry into Defence Beyond 2000 began on 21 August 1997 and ended on 26 August 1999. The Inquiry's stated purpose was "to consider options for the development of New Zealand's defence policy, structure and capabilities beyond 2000."⁶ According to Malcolm McNamara, (who served as adviser to the Committee from June 1998) the purpose of the Inquiry was somewhat more ambitious: "to achieve a credible, durable cross-party consensus on defence policy".⁷

The overall thrust of the resulting Defence Beyond 2000 (DB2K) Report is highly critical of some of the core elements of the existing defence policy. In assessing whether New Zealand should seek to be prepared for the widest possible range of contingencies in the face of an uncertain future, the Report comes down firmly in favour of preparing for what it perceives to be the most likely contingencies. According to Derek Quigley, "The guts of the report is that we need to do much better. We need to prioritise and we need to boost the Defence Force's capabilities."⁸ The Report's key rationale is that trying to do too much has meant that New Zealand ends up doing nothing well. The proposed solution is to identify the most important contributions made by the NZDF in the short and medium term and to concentrate resources on these contributions.

In the November 1999 General Election the National Party and its coalition partner were defeated, and the Labour Party joined with the Alliance Party to form a Coalition Government. Both Labour and The Alliance had pledged that the Report would form the basis for their defence policies should

they be elected to Government.⁹ Since its election, the Coalition Government has made significant changes to defence policy and force structure, including the disbandment of the Royal New Zealand Air Force's air combat squadrons. In explaining and justifying the air combat decision – and other aspects of its defence policy – the Labour-Alliance Government draws on the authority of the DB2K Report, which the Government refers to as its “blueprint” for defence.¹⁰

These statements give rise to the main objective of this thesis: to test the Government's claim that its defence policies reflect the DB2K Report's recommendations. In other words, to what extent is the DB2K Report really the Government's blueprint for defence? Answering this question will help to place the Government's policy in context by evaluating how much change has occurred, and by showing what direction defence policy has moved in against the background of the Report's recommendations and the defence policies of the 1990s.

In answering this question, the thesis focuses on comparing and contrasting (rather than evaluating the merits of) the defence policies of the 1990s, the recommendations of the DB2K Report, and the defence policies of the Labour-Alliance Government. The comparison is made in terms of the functions of defence (chapter one), the focus of defence (chapter two), and the force structure and capabilities of the NZDF (chapter three). Chapter one is concerned with national security interests, perceptions of the future of the strategic environment, the contribution to New Zealand's interests made by defence, and the place of defence alongside other instruments of state. Chapter two is concerned with defence relationships, regions of emphasis, and operations, and chapter three is concerned with how the NZDF is equipped and organised to achieve New Zealand's defence policy goals. In each chapter the objective is to identify and describe the Select Committee's key recommendations in light of existing policy and then to assess whether the Labour-Alliance Coalition Government's policy reflects the Committee's recommendations.

Labour-Alliance Government policy statements, National Government policy statements, and the DB2K Report itself have constituted the main sources for this research. Since its election in 1999, the Coalition Government has produced two major statements on defence: *The Government's Defence Policy Framework* (GDPF 2000) and *Government Defence Statement: A Modern, Sustainable Defence Force Matched to New Zealand's Needs*.¹¹ Significantly, the Government has not produced a new white paper; this appears to be because the Government believes that the DB2K Report adequately fulfils this role.¹² Another useful document is the Ministry of Foreign Affairs and Trade's *New Zealand's Foreign and Security Policy Challenges* (NZFSPC 2000).¹³ To supplement these sources, I submitted to questions to Defence Minister Mark Burton and Foreign Affairs Minister Phil Goff and received helpful replies.

The defence policy statements of the 1990s are also central to this study. The three successive National-led Governments from 1991-1999 produced two White Papers (*The Defence of New Zealand* [DONZ 1991] and *The Shape of New Zealand's Defence* [SONZD 1997]) and released one Defence Assessment (DA 1996).¹⁴ Other useful official sources from this period include speeches (especially from former Secretary of Defence Gerald Hensley), and press releases.

A principal source has been the DB2K Report itself, and developing and presenting an understanding of the Report's general thrust has been a central research activity.¹⁵ Other significant reports produced by the Foreign Affairs, Defence, and Trade Select Committee include: 'Government Members' (minority) Report' (into Defence Beyond 2000), *Inquiry into 'New Zealand's Place in the World' and 'New Zealand's Role in Asia-Pacific Security'*, and *Interim Report of the Defence Beyond 2000 Inquiry*.¹⁶

These primary sources are complemented by a substantial quantity of media material and a less abundant range of academic sources. Academic commentary that directly compares the Government's policies to the DB2K Report is scarce. However there is useful background material. McNamara, for example, has produced an article explaining the process of the Inquiry into Defence Beyond 2000, and a discussion held on the merits of the *Interim Report*

at Victoria University resulted in a collection of papers on this subject.¹⁷ Moreover, there is a significant literature on New Zealand's defence policies generally and on developments in defence in recent years.¹⁸

The thesis concludes that there has been significant movement in defence policy towards fulfilling the recommendations of the DB2K Report. The changes seem most marked in relation to the reasons why the Defence Force is maintained, the activities performed by the Defence Force, and the military capabilities it operates.

Endnotes for Contents Page and Introduction (pages i-ix)

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² New Zealand Ministry of Defence, *1996 Defence Assessment*, Wellington, 1996, pp.1, 23.

³ *Sunday Star Times*, 19 October 1997, p.7.

⁴ *Evening Post*, 20 May 1996, p.12.

⁵ *Dominion*, 14 October 1997, p.1.

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Chapter One: The Function of Defence

Introduction

This chapter explores four aspects of defence policy: national security interests, perceptions of the future of the strategic environment, the contribution to New Zealand's interests made by defence, and the place of defence alongside other instruments of state.

National security interests consist of the security outcomes that New Zealand would like to see achieved in the world. During the 1990s, New Zealand's interests were grouped into regional units such as the South Pacific and East Asia. In each unit there was an interest in security, although the underlying motives for the interest varied. These broad foreign policy interests were not the source of significant dispute between the political parties.

In contrast, perceptions of the future of the strategic environment were a significant point of difference. Central to the 1990s defence policies was a perception of the future of the strategic environment as highly uncertain and therefore potentially dangerous. This perspective was used to justify numerous elements of defence policy at various levels, including force structure decision-making. Critics of these policies argued that with the end of the Cold War security had improved significantly, that New Zealand could adjust its defence posture to meet changing circumstances, and that the perception of considerable uncertainty had led to an unsustainable force structure.

Related to this debate is the question of how defence contributes to New Zealand's security. The 1990s policymakers argued that in the face of considerable uncertainty, the primary role of defence was to meet or deter serious threats (defence as insurance). A range of other benefits were said to flow from this primary role. However, objectors argued that there was little need for insurance, and that the links to other stated benefits were tenuous. It was further argued that defence should be concerned with achieving tangible

contemporary goals. There was also some suggestion that instruments of state other than defence were neglected and that steps should be taken to redress the balance.

The *Inquiry into Defence Beyond 2000* made recommendations and suggestions on all of these issues, and in the case of perceptions of the future of the strategic environment, the contribution made by defence, and the place of defence alongside other instruments of state, the Report proposes significant changes. This chapter systematically compares the approaches to these issues of the DB2K Report, the defence policies of the 1990s, and the defence policies of the Labour-Alliance Government. The chapter firstly compares the Report's recommendations with the defence policies of the 1990s, and then compares the policies of the Labour-Alliance Government with these two approaches.

Part One: The Recommendations of the *Inquiry into Defence Beyond 2000* and the Defence Policies of the 1990s

New Zealand's Security Interests

The DB2K Report, DONZ 1991, and SONZD 1997 agree that the nature of direct threats to New Zealand itself is likely to remain of a low level for the foreseeable future.¹ Both the DB2K Report and DONZ 1991 note that there has been no need to defend New Zealand's sovereign territory for over fifty years,² and that this remains the case. Nonetheless, it is also agreed that the possibility of a direct threat emerging after a period of considerable deterioration in the international security situation cannot be dismissed.³ Until such a threat presents itself, threats to New Zealand sovereign territory will probably be limited to illegal exploitation of resources within New Zealand's exclusive economic zone, illegal entry into New Zealand territory, and natural disasters.⁴ Terrorist activities and sea mines are also noted as possible threats.⁵

Both the DB2K Report and DA 1996 argue that because New Zealand's own security environment is benign ("uniquely benign" according to DB2K⁶

and “relatively benign” according to DA 1996⁷), New Zealand’s defence policy should be very outward looking and focus on wider international interests. According to the DB2K Report, “wider international concerns and domestic political considerations have assumed greater importance than they would in a time of heightened tension.”⁸ This is similar to the differentiation made in DONZ 1991 between New Zealand’s security needs (which are limited and local) and its security interests (which are broad and widely dispersed geographically).⁹

However, there is some suggestion in the DB2K Report of a greater emphasis than in the 1990s policy documents on the relevance of non-military threats from within New Zealand. For example, the Report states that

If unemployment is regarded as a greater threat to security for New Zealanders than any military threat from overseas, then expenditure trends in defence which have favoured the acquisition from overseas of high-cost military equipment over the recruitment, training, and retention of lower-ranked personnel would have to be regarded as counterproductive.¹⁰

This perspective on unemployment and domestic threats to security certainly broadens the concept of security, and (probably) reflects the Report’s wider disagreement with the strategic perceptions in the 1990s policies (see below).

Matching the example of DONZ 1991,¹¹ the DB2K Report illustrates New Zealand’s wider international interests and the potential threats to them by means of a geographic model. According to this model, New Zealand’s interests radiate from New Zealand in concentric circles. The geographic divisions are the South Pacific, Australia, South East and North East Asia, and the rest of the world. In each region, New Zealand has an interest in stability and security, although the reasons given for New Zealand’s interest vary in each case. The DB2K Report identifies New Zealand’s “national security outcomes” as follows:

- A secure **New Zealand** including its people, land, territorial waters, exclusive economic zone, natural resources, and critical infrastructure;

- A political environment in the South Pacific in which national economies, societies and identities continue to evolve in a climate of good governance;
- A strong relationship with Australia that supports a secure and peaceful New Zealand and Australian area of interest;
- An expanding role in South East and North East Asia in regional dialogue and (where appropriate) security;
- A global approach that supports New Zealand's place in an international community committed to the maintenance of human rights and the collective responsibilities enshrined in the United Nations Charter, and which strengthens New Zealand's economic linkages.¹²

Suggesting a close agreement with the DB2K Report, the Government Members' (minority) Report notes that, "Government members agree with the Committee's listing of national security outcomes...They are, after all, inherent in the Government's current defence policy." This is one of the few points of agreement between the two reports.¹³ However, it is likely that authors of the Minority Report would dispute the qualification placed on New Zealand's interest in East Asia by the DB2K Report (see chapter two).

In each region there is considerable agreement on the nature of New Zealand's interest and on the more likely short-term threats that may affect these interests. The Report notes that New Zealand has an interest in the security of the nations of the South Pacific for several reasons: New Zealand has constitutional obligations to defend Niue, Tokelau and the Cook Islands; there are a number of New Zealanders in the region; other nations (or non-state actors) may gain influence in the region if New Zealand does not play a security role; New Zealand belongs to the South Pacific Forum; and New Zealand feels a 'special responsibility' to the region.¹⁴ DONZ 1991 notes similar reasons for New Zealand's interest.¹⁵ According to the DB2K Report, "Militarily, the more likely security challenges would be low-level and localised, ranging from terrorist incidents and isolated sabotage to civil disturbances leading to the breakdown of law and order."¹⁶ Non-military incidents identified by the Report include poaching, illegal entry, and natural disasters.¹⁷ These are similar to the dangers identified by DONZ 1991, although the White Paper does note the (very unlikely) possibility that some

South Pacific states could provide “stepping stones” for a third party to threaten New Zealand.¹⁸

The DB2K Report notes that New Zealand has an interest in a strong relationship with Australia because a threat to either Tasman country would pose a grave threat to the other, because the Australian Defence Force is an important source of training for the NZDF, and because of the benefits of the Closer Economic Relations Agreement. However, the Report does not identify any threats to New Zealand’s interests in Australia or to the security of Australia itself and notes that Australia does not face any direct threats.¹⁹

According to the DB2K Report, New Zealand’s interest in the security of North and South East Asia derives largely from New Zealand’s trading links with this region. East Asia is an important source imports, destination for exports, and the seas in the region contain vital shipping lanes for the movement of trade. These are thoroughly noted by DONZ 1991²⁰ and DA 1996.²¹ Like these earlier policy documents, the DB2K Report notes the potential for a serious break down in security in East Asia. The key threats to security include the disputes over the Taiwan Straits, the Korean Peninsula, and the South China Sea. However, the Report objects to the DA’s comment that South East Asia contains the only land bridge by which Australia and New Zealand may be directly threatened.²² This (probably) also reflects the Report’s wider disagreement with the strategic perceptions in the 1990s policies.

The Report’s interest in global security is based on both New Zealand’s responsibilities as an international citizen (with obligations under the United Nations Charter) and also the fact that as a global trader, New Zealand benefits from international peace and stability. The DB2K Report notes that,

New Zealand’s standard of living derives in large measure from the capacity to export all around the world. We are vulnerable to threats to the supply of vital raw materials and manufactured goods...To prosper we need an international climate of political stability...and economic health. We also need secure sea-lanes and a strong network of worldwide political and trading relationships.²³

Suggesting a strong convergence of opinion, Gerald Hensley (Secretary of Defence 1991-1999) states that, "Our very remoteness from markets and world centres which protects us from invasion gives us lengthy lines of communication and a lively interest in the tranquillity of the regions through which they run."²⁴ Overall, then, there is agreement between the DB2K Report and the defence policy of the 1990s on the appropriate security outcomes for New Zealand.

Perceptions of the Future Strategic Environment

However, despite a strong agreement on the nature of New Zealand's interests and the more likely threats to them, there is disagreement in the analysis of the potential threats in the longer term. DA 1996 and other 1990s policy documents see considerable uncertainty (and therefore risk) surrounding the future.²⁵ By contrast, DB2K does not stress uncertainty and sees a relatively positive future. These analyses are important because they influence the way the Defence Force is expected to contribute to New Zealand's interests. Most importantly, the defence policy of the 1990s linked a perception of significant strategic uncertainty with an emphasis on defence as a form of insurance. The DB2K Report disagrees with this approach.

Permeating DONZ 1991, DA 1996, and SONZD 1997 is a tone of caution and a sense of uncertainty regarding the future that is not to be found in the DB2K Report. The strategy laid out in DONZ 1991 and SONZD 1997 is guided by Gerald Hensley's dictum that, "the fundamental characteristic of all defence planning is uncertainty".²⁶ DONZ 1991 claims that its strategy does not attempt to "predict the likelihood of any particular contingency",²⁷ and Gerald Hensley has said that SONZD 1997 fulfils the same requirement.²⁸ Commenting on the submissions to the Inquiry into Defence Beyond 2000, he has also said that,

The principle of uncertainty is still giving us trouble in our thinking about defence. Over the past few months there have been a number of calls and submissions to Parliament calling for a radical reshaping of defence, to better fit our forces for the future and to save money which could be better used elsewhere. But I have learnt by

experience that all calls for a radical approach to defence have one thing in common: they all start by radically redefining the threat. They all make what I regard as uncomfortably large assumptions about the future.²⁹

A stress on uncertainty is indeed conspicuous by its absence from the resulting Report. Instead, there is the suggestion that since the end of the Cold War the world has become - and will remain - a more peaceful place. According to Jeff Gamlin of the *National Business Review*, the Report's optimistic outlook is based on the belief that major powers which were previously mutually hostile are now economically interdependent, and therefore unlikely to engage each other in conflict.³⁰ According to the Report, "In our view, this widely based interdependence should now be a major factor in New Zealand's security strategy."³¹

As well as being tied together by such institutions as the World Trade Organisation and Asia Pacific Economic Cooperation, the Report also identifies an ongoing reinvigoration of international law.³² Commenting on the nature of multilateralism, the Report argues that,

The global community is becoming increasingly rules-based. The rules may often be broken, but then so they are in the domestic community. The point is that there are now stronger rules of international behaviour and they are enforceable both legally and in the court of world opinion. International law is assuming a growing importance alongside traditional and trade-based arrangements.³³

This reflects a strong faith in multilateral institutions and the effectiveness of international law. Some critics of the Report have suggested that this perspective is naïve. Commenting on the same statement in the committee's *Interim Report*, David Dickens noted that, "I don't know how the Interim Report arrived at the conclusion that rules of international behaviour are 'enforceable both legally and in the court of world opinion...If we really do live in a 'global community (that) is now rules based' then how can we explain the Iraqs of this world?"³⁴ However, it seems that from the perspective of the DB2K Report, the prospect of major war has become sufficiently unlikely for New Zealand defence policy largely to discount it.

However, rather than completely ignore the potential for untoward events, the DB2K Report recommends that New Zealand keep a close watch on the strategic environment and react to threats as they develop rather than well in advance. This is what the Report considers to be prioritising and what the minority members described as limiting New Zealand's options against an uncertain future.³⁵ In the words of the DB2K Report,

We cannot predict every eventuality but equally we must be ready to cope with changes in the level of threat. Regular threat assessment – as required of the Secretary of Defence by the Defence Act – will reveal whether the level of risk is escalating. We must maintain systems which give us sufficient advance warning to adjust our strategic thinking and capabilities to meet changes in the level of threat.³⁶

The Report's approach, therefore, was to assert a greater degree of confidence in the present strategic environment, and also in New Zealand's ability to detect and respond to threats, than the *Defence Assessment* considered acceptable. As Gerald Hensley has noted, significant changes to defence policy, such as those recommended by the select Committee, "start by redefining the risk. For example, there is no risk of war, none for fifteen years."³⁷ This is very much what the Report does.

The Defence Contribution to New Zealand's Security Interests

Perceptions of the strategic environment are an important influence on the contributions or roles that are chosen for defence (see Table 1 below). This is true for both the defence policy of the 1990s and for the recommendations of the DB2K Report. During the 1990s, a perception of the future of the strategic environment as essentially unpredictable and uncertain was linked with a perceived need for the Defence Force to be able to contribute to meeting any serious military challenges to New Zealand's interests. Since the future was regarded as unpredictable, the potential development of such serious challenges could not be ruled out.³⁸ Thus, defence policy had an 'insurance' dimension. In the words of Gerald Hensley, "Defence is every country's insurance policy covering thirty years against all risks."³⁹

Table 1 Perceived Functions of the New Zealand Defence Force under the Defence Policy of the 1990s

Direct	Indirect
Activities performed by the Defence Force on a continuum of threat level and likelihood of occurrence	Benefits said to result from the Defence Force's credibility
<ul style="list-style-type: none"> • Meeting and deterring serious military challenges that may develop in the longer term (defence as 'insurance') • Meeting and deterring lower level or non-military challenges that may develop at shorter notice 	<ul style="list-style-type: none"> • Enhanced trade access and strengthened international relationships • An international voice • Military support in times of need

Under the 1990s policy, the rationale for having an insurance component was broader than simply retaining the ability to respond to 'insurance contingencies': it was argued that so long as defence policy had an insurance component (as demonstrated by a particular range of higher level combat capabilities), then a range of other desirable outcomes would also result. One direct outcome was perceived to be the ability to meet or deter lower-level or non-military challenges to New Zealand's interests.⁴⁰ Also important were three indirect outcomes: earning a response from friends and partners in the event of a direct military threat to New Zealand,⁴¹ earning an 'international voice',⁴² and enhancing trade access.⁴³ These outcomes may be regarded as indirect because they were perceived to result from the maintenance of a defence force credible in the eyes of others rather than as a result of operational actions performed by the Force. Hoadley has described this approach to defence thus, "Defence policy serves foreign policy, and indirectly trade and other external economic policies, so should be acceptable, credible, and creditable in the eyes of New Zealand's diplomatic and economic partners".⁴⁴ Assessments of credibility were said to be primarily made by friends and partners⁴⁵ and credibility was said to depend on maintaining 'insurance capabilities'. While these principles of insurance and credibility were central to the defence policy of the 1990s, the DB2K Report

sees the defence contribution to New Zealand's interests in a rather different light.

Of the contributions noted in Table 1, meeting or deterring lower level or non-military challenges that may develop at short notice is the only direct contribution which the DB2K Report endorses for the Defence Force. The role of defence as a provider of insurance is explicitly rejected by the Report on the grounds that this role drains resources unnecessarily and does not match the needs presented by the current strategic environment. The Report argues that a choice needs to be made between defence as insurance and defence as a servant of wider international interests, the former being a long-term proposition and the latter (according to the Report) being a shorter-term proposition. The Report states that, "We see more value in using the NZDF to support our wider international interests now, than in leaving it to concentrate on training and exercising for the more remote war scenarios of an uncertain future."⁴⁶ To the same effect, the Report notes that, "At present the NZDF not only has grave deficiencies in equipment to overcome, but more importantly, it is desperately in need of new innovative thinking to make it relevant to the world order that has replaced the era of superpower confrontation."⁴⁷ In other words, the Report argues that since the threat of superpower confrontation has receded, defence policy can now focus primarily on the numerous intrastate (or communal) conflicts and non-military crises that have arisen since the end of the Cold War. According to the Report, "defence policy must be developed to address credible threats to New Zealand and New Zealand's interests rather than aiming to deal with the widest possible range of purely military contingencies."⁴⁸

According to the DB2K Report there has been too much emphasis on meeting military threats and insufficient emphasis on meeting non-military threats.⁴⁹ As examples of the latter, the Report notes that,

Threats to our national well-being and wider international interests may arise out of issues like ethnic rivalry and tensions elsewhere, regional economic crises, narcotics dealing, money laundering and international crime, cross border pollution and

environmental degradation, high birth rates and poverty, population movements, refugee flows and illegal migration, pandemics, and inimical cultural influences.⁵⁰

Some of these non-military and intra-state problems are noted by DONZ 1991, which argues that, "Environmental degradation, narcotics, terrorism, human rights and refugee flows...affect New Zealand's security."⁵¹ However, the DB2K Report seems to regard these threats as characteristic of the future security environment, whereas DONZ 1991 sees not only these non-military and intra-state problems but also the potential for serious threats to develop. It is this perception that led the 1990s policy makers to see defence as a form of insurance. The DB2K Report's alternative perspective is clearly highlighted by the following comment on force structure: "We favour equipment related to the production of more specific outputs such as the promotion of international security in current hotspots, over more general force capability options and longer-term insurance."⁵²

A shift away from insurance in the DB2K Report is certainly detected in the Government Members' (minority) Report, which notes that the DB2K Report does not take a sufficiently long view of New Zealand's defence needs⁵³ and says that: "Most individuals agree with the premise that they cannot foretell the future, and rather than rely on a crystal ball, choose to have insurance against untoward events."⁵⁴ The DB2K Report, to the minds of the Government members, chooses the crystal ball approach.

Many of the hostile responses to the DB2K Report used the same argument as the Minority Report. For example, Ron Smith argues that the Report is based on the assumption that most of the eventualities for which the Defence Force is maintained are so unlikely that they can be ignored.⁵⁵ Arguing the same point, the *Government Reponse* to the *Interim Report* claims that "Neither history nor the present world scene give us any grounds for believing that war is about to be abolished."⁵⁶

The indirect contributions to security outcomes, which according to 1990s defence policy flowed from the direct contributions, are not seen by the DB2K Report as significant contributions for the Defence Force. Earning a

military response from friends and partners is not mentioned by the Report. This omission is consistent with both the Report's appreciation of the future of the strategic environment and its rejection of insurance as a role for the NZDF. Military assistance is not important if the future is expected to be benign. Further, the DB2K Report does not suggest that playing a defence role that is credible to friends and partners earns New Zealand a voice in international affairs.

Receiving a little more support from DB2K is the idea that New Zealand's defence effort contributes to enhanced trade access. For example, the Report claims that, "We are too small a nation to have much leverage on larger powers. Thus it is arguable that our credibility as a partner in areas of common concern (including questions of defence and security) becomes all the more important if we are to find a sympathetic ear on trade or other matters of vital importance to us."⁵⁷ However the idea is not heavily emphasised in the DB2K Report, and it is therefore unlikely to be regarded as a significant reason for maintaining a defence force. More representative of the Report's overall perspective is the comment that, "Arguably, New Zealand's interests are advanced more by diplomacy and assiduous trade development than by the symbolism of an air combat force."⁵⁸ Thus, although the Report regards trade as essential to New Zealand's security, the Report does not see defence as much of a contributor to this aspect of security.

This introduces another concern of the DB2K Report: the place of defence alongside other instruments of policy. There is a strong emphasis in the *Inquiry into Defence Beyond 2000* on the importance of using a wide range of instruments to achieve goals. The Report notes that, "Our armed forces' combat capability is just one way of securing an external environment in which New Zealand flourishes." Subsequently, approximately twenty other means are listed including non-combat roles performed by the Defence Force.⁵⁹ These are not revolutionary ideas. According to DONZ 1991, for example, "Defence is one of the instruments along with diplomacy, aid and trade by which New Zealand seeks to influence the external world in ways favourable to our interests."⁶⁰ However, as the comments on multilateralism

and on the value of air strike forces as contributors to trading interests suggests, the DB2K Report has concerns about the coordination and balance of inputs to security policy. The Report asserts that, "In New Zealand, military planning is not integrated into broader security policy planning with the result that competing demands for resources are not fully contestable. They should be."⁶¹ DB2K's main concern seems to be that non-defence instruments may be under-appreciated. The phrase 'security is more than defence' may also refer to this by emphasizing that there are more ways to achieve security than through defence. This is demonstrated by the Report's comments on the balance between New Zealand's defence effort and its contribution to ODA: "It is remarkable, in view of the uniquely benign strategic situation of New Zealand and the South Pacific...that the balance in our case is so heavily weighted towards defence expenditure."⁶² The Report recommends a re-evaluation of New Zealand levels of ODA. To ensure that the balance of inputs to security policy is more carefully scrutinised in the future, the DB2K Report makes recommendations nine and twenty-two.

- Recommendation 9

We recommend that a machinery of government review be undertaken to:
Consider the options for co-ordinating departmental inputs into defence and security policy.

- Recommendation 22

We recommend examination of the balance between the allocation of resources to all the various aspects of the conduct of foreign relations, looking at the interdependencies and in terms of a strategic approach to the management of whole-of-government priorities.⁶³

Clearly the DB2K Report is concerned about the way New Zealand governments choose instruments of state to achieve foreign policy goals.

Part Two: Labour-Alliance Coalition Government Defence Policy

New Zealand's Security Interests

In its identification of New Zealand's security interests and the likely challenges to them, the Labour-Alliance Coalition Government has laid out a groundwork very similar to the DB2K Report and indeed to DONZ 1991. According to *The Government's Defence Policy Framework*, "New Zealand is not directly threatened by any other country",⁶⁴ and according to *New Zealand's Foreign and Security Policy Challenges*, "It is hard to conceive of circumstances in which New Zealand would face a direct military threat."⁶⁵ This analysis may be even more optimistic than those offered by DB2K and DONZ 1991 since both of those documents note the possibility of a direct threat emerging after a period of considerable deterioration in the international security situation.⁶⁶ Also suggesting an optimistic assessment, Prime Minister Helen Clark has described 'our strategic environment' as "exceptionally benign"⁶⁷ and "incredibly benign".⁶⁸ However, it is difficult to know how far beyond New Zealand our 'strategic environment' extends. Moreover, the comments may simply suggest that New Zealand itself does not face any direct threats rather than suggesting that no other country does.

An analysis of likely threats to New Zealand is not provided by GDPF 2000, but is provided by NZFSCP 2000 and *Strategic Assessment 2000*.⁶⁹ The possible threats noted by NZFSCP 2000 include EEZ infringements, illegal migration, terrorism, transborder crime, and civil defence disasters.⁷⁰ These challenges are also noted by DONZ 1991 and the DB2K Report. Curiously, NZFSCP 2000 - unlike DONZ 1991 and DB2K - does not note the potential threat posed to New Zealand by sea mines. Once again, this divergence from the DB2K Report suggests a more benign assessment of New Zealand's security on behalf of the Labour-Alliance Coalition Government. However, it is also possible that the inclusion of sea mines as a potential threat to New Zealand was actually an aberration on the part of the DB2K Report which (compared to DONZ 1991) tends to understate potential military challenges to New Zealand.

DB2K and DONZ 1991 argued that because NZ itself is neither directly threatened, New Zealand's defence policy should be very outward looking and focus on wider international interests. Although it does not lay out this argument as succinctly as these documents, the Labour-Alliance Coalition Government agrees. Suggesting that defence policy is linked to the achievement of international goals, GDPF 2000 notes that, "Defence policy and foreign policy are a partnership."⁷¹ According to NZFSPC 2000, "In the absence of a direct threat to New Zealand's security, it is likely that contributions to collective security efforts (including peacekeeping) will remain a primary role for the NZDF."⁷² This comment also suggests that since New Zealand is not threatened, its defence policy should be linked to broader foreign policy outcomes, rather than the direct defence of New Zealand.

At the same time as giving defence policy a strong external focus, there is some suggestion from the Labour-Alliance Coalition of a greater emphasis (than in DONZ 1991 and other 1990s documents) on the relevance of non-military challenges from within New Zealand. The DB2K Report suggests that given New Zealand's unemployment rate and benign strategic environment, personnel intensive defence policies were a higher priority than the purchase of high cost capital equipment.⁷³ Labour and Alliance opposition members made similar arguments prior to their formation of a coalition government. In 1997, for example, future Labour-Alliance Coalition Deputy Prime Minister Jim Anderton asked Defence Minister Paul East, "how many schools, hospitals, cardiac units, Department of Conservation land clean-ups, or even ministerial buildings, could be completed for the capital and annual operating costs of this frigate [HMNZS Te Mana]?"⁷⁴ Anderton was suggesting that funding should be diverted from defence to other portfolios. Since the Labour-Alliance Government has not reduced defence spending it does not appear that Anderton's suggestion has been followed,⁷⁵ although the underlying attitude is probably supported in Government. However, GDPF 2000 notes that one of the roles of the NZDF is to "contribute to the Government's social and economic priorities by providing opportunities for training and rewarding careers."⁷⁶

However, the main focus of defence is external. Suggesting a close overall agreement with the DB2K Report and DONZ 1991, the Government is content to continue the convention of listing New Zealand's interests according to the geographic concentric circles model. This model portrays New Zealand's interests on a regional basis according to the proximity of those regions to New Zealand. The Government has spelled out this list in a number of texts including GDPF2000, where it is noted that,

The Government endorses the broad strategic outcomes identified by the Foreign Affairs, Defence and Trade Select Committee in its *Defence Beyond 2000* report:

- A secure **New Zealand** including its people, land, territorial waters, exclusive economic zone, natural resources and critical infrastructure;
- A strong strategic relationship with **Australia** in support of common interests for a secure and peaceful region;
- A political environment in the **South Pacific** in which national economies, societies and identities continue to evolve in a climate of good governance and internationally agreed standards of compliance with human rights;
- An expanding role in the regional dialogue of **South East and North East Asia** and, where appropriate, a role in regional security consistent with New Zealand's interests and capabilities;
- A **global** approach which supports New Zealand's place in an international community committed to the maintenance of human rights and the collective responsibilities enshrined in the United Nations (UN) Charter, and which strengthens New Zealand's international economic linkages.⁷⁷

This list differs from the Beyond 2000 Report's version in only the most minor details (and it would probably draw little criticism from establishment sources, except perhaps for the qualification on New Zealand's involvement in East Asia, see chapter two).⁷⁸ In each region the Coalition Government lists essentially the same interests and potential challenges to those listed by the DB2K Report and DONZ 1991.

The *Government's Defence Policy Framework* notes that New Zealand has "special obligations" in the South Pacific.⁷⁹ This is confirmed by NZFSPC 2000 which argues that, "The combination of proximity, community links,

diplomatic and economic interests, humanitarian concerns and expectations of other governments means that the South Pacific will remain a central focus of our external relations as far ahead as we can see.”⁸⁰ *New Zealand’s Foreign and Security Policy Challenges* identifies various challenges facing Pacific Island nations and concludes that, “Current trends are not good. We should assume there are further problems to come.”⁸¹ The description of New Zealand’s interests and the likely challenges to them are unremarkable and match the assessments in DONZ 1991 and DB2K.

Marking a departure from the 1990s policies, and a shift towards the DB2K perspective, the Government has highlighted a range of differences of interest between New Zealand and Australia. These differences and the Labour-Alliance Government’s assessment of the ANZAC relationship is examined in chapter two.

While GDPF 2000 gives little attention to the nature of and threats to New Zealand’s interests in East Asia,⁸² NZFSPC 2000 is considerably more detailed. Although *New Zealand’s Foreign and Security Policy Challenges* does not constitute official Government policy, Helen Clark has endorsed the key aspects of the analysis by asserting that, “we do, of course, have a deep interest in the security and prosperity of the Asia-Pacific.”⁸³ NZFSPC 2000 argues that this security and prosperity is “crucial for New Zealand’s well-being”⁸⁴ because, “New Zealand has large commercial and political interests in Asia. Future trade prospects depend on continued economic growth which in turn requires confidence in a stable regional security environment.”⁸⁵ The classic potential flashpoints in East Asia are identified (the Korean Peninsula, Taiwan/China, and the South China Sea), and it is noted that, “Conflict in any of these areas would affect important New Zealand interests.”⁸⁶ In assessing East Asia’s stability, NZFSPC 2000 argues that, “The region is basically stable, but there is potential for trouble.”⁸⁷

These assessments of New Zealand’s interest in East Asia and the stability of the region do not differ from the assessments made by the DB2K Report, DONZ 1991, and SONZD 1997. There is however, no mention that South East Asia includes the only land bridge by which New Zealand and

Australia might be attacked. The omission of such a statement is consistent with the DB2K Report and its wider argument about New Zealand's defence role in East Asia (discussed in Chapter Two.)

In agreement with the DB2K Report (and DONZ 1991), the Labour-Alliance defence policy documents explain New Zealand's interest in global security in terms of United Nations obligations and trading interests. The *Government's Defence Policy Framework* gives little depth, noting the UN factor but only briefly noting the trade factor.⁸⁸ As is the pattern for other areas, NZFSPC 2000 is more detailed on both counts: it stresses the importance of the United Nations and New Zealand's global trading interests. With regard to global trade, NZFSPC 2000 argues that, "New Zealand has an export oriented production base, which requires secure trade routes and access to overseas markets."⁸⁹

Perceptions of the Future Strategic Environment

In agreement with the DB2K Report, Labour-Alliance Coalition Government policy diverges sharply from 1990s policy in its assessment of the future of the strategic environment and the potential long-term challenges to New Zealand's interests. Where the defence policy of the 1990s planned far into the future and perceived considerable uncertainty, the Labour-Alliance Coalition assumes that the long term future of the strategic environment will be benign and chooses not to emphasise uncertainty or the consequent potential for a serious strategic deterioration to occur. The Coalition's approach to the future strategic environment thus shares much with DB2K.

The Coalition Government's key statements on defence policy neither stress uncertainty nor place defence within a long time frame. Instead, there is a short-term analysis and a perception of the future as secure. *Strategic Assessment 2000* looks five years into the future and notes that within this time frame New Zealand is not likely to be involved in widespread armed conflict.⁹⁰ This judgment is repeated in GDPF 2000, Government policy, although the five year specification is omitted.⁹¹ Five years appears to be a short period of assessment compared with the approach taken by the policy of

the 1990s, where defence was regarded as an insurance policy against thirty years of risks.

A range of other comments by Government members also suggest a perception that because New Zealand does not face any immediate threats, none are likely to appear beyond that time frame. The Prime Minister has asked, "Could someone please tell me where the threat is coming from?"⁹² Similarly, Treasurer and Minister of Finance Michael Cullen has said, "The Australians are not going to invade us, the Chinese are not going to invade us, the Indonesians are not going to invade us – there is no naval threat to New Zealand's security for the foreseeable time period."⁹³ Cullen and Clark's argument that there is no immediate threat would not draw dispute from the Government's critics. However, the suggestion that defence policy should be based on this short-term assessment would certainly draw criticism on the grounds that defence planning should be at least partly concerned with the future which is murky and therefore possibly dangerous. Government comments that do assess the future suggest a perception of confidence rather than uncertainty. Helen Clark, for example, has said that, "as the world basically becomes a more peaceful place to live in" other nations will look to New Zealand's defence policy as a model to be replicated.⁹⁴ These attitudes correlate with the DB2K perspective, and the nature of the commentary (both positive and negative) on the Government's policy has also been the same as the criticism directed at the Report.

Critics are firmly of the opinion that the Coalition Government's defence policy is built on either a short-term view of the strategic environment or a the belief that a serious strategic breakdown will not occur. According to Gamlin, the new defence policy "is based on the assumption that the international order won't fundamentally change for the worse over the longer term".⁹⁵ Lance Beath argues that the key development in defence policy is the adoption of the view that inter-state conflict has become much less likely.⁹⁶ Beath is particularly critical of the five-year forecast period in *Strategic Assessment 2000*; he argues that, "basing a new departure in policy on a five year horizon is a radical move, and one that provides an uncomfortably

narrow margin for risk in the event of a general deterioration of the regional security setting.⁹⁷ The *Evening Post's* editor shared this conclusion, arguing that, "The new defence policy is based on the naïve belief that the big conflicts in the world are over".⁹⁸ Finally, the *Green Paper* written by seven former defence chiefs argues that the fundamental problem with Coalition Government's defence policy is the choice to rule out the potential for serious threats and not to set defence goals which aim to prevent or defeat such threats.⁹⁹ These criticisms of the Government's policies echo the criticisms levelled at the DB2K Report.

However, the potential for threats to develop is not entirely dismissed by the Government, and it follows the DB2K Report's perspective on this issue. According to the Report, "'defence' policy should be the ongoing assessment of objectives based on a strategic concept of credible contingencies and the definition of capabilities to achieve those objectives."¹⁰⁰ This 'watch-and-react' approach has been endorsed by the Government, which has noted the importance of closely observing strategic developments as well as the importance of New Zealand making independent evaluations.¹⁰¹ The *Government's Defence Policy Framework*, for example, notes that, "New Zealand's defence and security policies will be based on New Zealand's own assessment of the security environment and on what action is considered to be in New Zealand's best interests."¹⁰² This statement suggests that New Zealand's assessment and reaction to strategic developments may differ from other countries.

The Defence Contribution to New Zealand's Security Interests

In agreement with the DB2K Report, the Government sees the contribution made by defence not in terms of insurance against the potential threats of an unpredictable future, but in terms of meeting the less serious challenges that are likely to characterise the short to medium term. This is demonstrated most clearly by the operations which the Government expects the NZDF to perform and the elements of force structure that the Government is retaining. These aspects of policy are discussed in Chapter Two.

The Government does not seem to regard deterrence of serious threats to be a significant contribution made by defence. The role of defence as a deterrent to threats is raised in DONZ 1991, where it is suggested that, "The maintenance of a professional defence force signals that New Zealand can within the force's capabilities support its friends and deter actions harmful to its interests."¹⁰³ Once again, this aspect of defence is conspicuous by its absence in Labour-Alliance Government defence statements. National MP Wayne Mapp considers an air combat capability to be a useful deterrent: in response to the cancellation of the F-16 deal, Mapp asked Burton, "Does the Minister recognise that an important role of any defence force is deterrence, and that this can be demonstrated by the fact that the Skyhawks and other forces have not been used in our region?"¹⁰⁴ Although on that occasion Mark Burton objected to the question, he did argue the following month that, "We will put the needs of frontline personnel ahead of other factors that have never been used in an active defence capacity."¹⁰⁵ Thus, like the DB2K Report the Government does not see defence as providing deterrence against serious threats or earning for New Zealand military assistance from friends and partners if necessary. The Government's position reflects its strategic perceptions and its philosophy that New Zealand's security is more likely to be advanced by non-defence instruments (see below).

The Government is as dismissive as the DB2K Report of the indirect contributions which DONZ 1991 and other 1990s documents argue are provided by defence as insurance. The need to maintain credible insurance capabilities to earn a helpful military response from friends and partners is not mentioned in Coalition defence policy documents. There are no Labour-Alliance statements to match the need identified by the *Defence Assessment* to "preserve a force structure against the possibility of worsening strategic circumstances, and demonstrate sufficient commitment to secure the support of others in the event of a serious security threat."¹⁰⁶ The absence of such a comment in the Government's statements matches the DB2K Report's omission of the idea. In both cases, a strategic outlook that differs significantly from the 1990s policy is responsible. The only references to the

idea of earning military assistance by Labour-Alliance politicians are indirect. In 1997 Helen Clark, for example, asked former Defence Minister Paul East the following question:

Is the Government considering buying the [third and fourth ANZAC] frigates because it seriously believes that they will play an important part in defending New Zealand, or because the Government believes it is necessary to buy the frigates to impress others that we are taking defence seriously?¹⁰⁷

This suggests that the Prime Minister opposes defence purchases which are motivated wholly or in part by the desire to pass 'credibility tests' with friends and partners. More indirect evidence of the Government's position is provided by the comments of the Government's critics. In response to the Labour Alliance Government's cancellation of the lease-to-buy F-16 fighter deal, Richard Prebble argued that, "Our next down payment for membership of the Western Alliance, and for the shared benefits of collective defence, was leasing the F-16s."¹⁰⁸ Prebble's comment suggests that the lease of the F-16s would have earned New Zealand the benefits of collective defence and that by cancelling the deal, the Government is showing its lack of interest in these benefits.

Nor does the Government seem to see defence as a passport to improved trade access for New Zealand's exports. No mention of this made in the GDPF, although NZFSPC 2000 - perhaps reflecting its different parentage - argues that, "Defence co-operation is important for wider relationship reasons".¹⁰⁹ These wider relationship reasons are not identified, and neither are the requirements of New Zealand's defence contribution. The comments by NZFSPC 2000 seem to be a diluted version of the argument that possession of specific high level defence capabilities boosts New Zealand's reputation with friends and partners. By contrast, Opposition MP Simon Power is very clear on this point, arguing that possession of an air combat capability enhances New Zealand's trade access. According to Power, the Labour-Alliance Coalition Government's decision on the F-16s, "will affect this country's ability to put together trade deals, which often stem from

defence relationships.”¹¹⁰ However, the Government is probably more inclined towards the DB2K perspective that diplomats are better suited to promoting trade than fighter planes.

Finally, the Labour-Alliance Coalition Government does not seem to regard defence as ‘earning’ New Zealand a voice in international affairs, as was argued under the 1990s defence policy. It is suggested by the Government that New Zealand’s defence contribution generates good will towards New Zealand, but not that New Zealand’s international voice is dependent on specific defence capabilities. *New Zealand’s Foreign and Security Policy Challenges* comes close to making this argument when it notes that, “Australian decisions will often affect us (and vice versa). It is important that we have an input if our interests are involved. That will partly depend on whether the Australians see us as a serious player on the issue under debate.”¹¹¹ However, NZFSPC 2000 leaves ambiguous what it might mean for New Zealand to be considered a serious or credible player. This is in stark contrast to the defence policy of the 1990s, which was at pains to affirm that credibility was dependent on retaining specific higher level (insurance) capabilities, and that credibility on these terms provided not only a ‘voice’, but also enhanced trade access, deterred threats, and earned military assistance if necessary.

In addition to agreeing with DB2K on the nature of the contribution that defence should (or is able to) make, the Labour-Alliance Coalition Government agrees on the place of defence alongside other instruments of state. Following the DB2K model, the Government places heavy stress on the notion that defence is but one of a range of instruments. While the defence policy of the 1990s certainly recognised that defence is only one of a number of instruments, there is added stress on this point in the Government’s defence policy statements. This is evident from both repetition and the attention given to this point. The following comment by Mark Burton is representative of the Government’s position:

The Government believes that defence and security issues are integral components of foreign policy and not ends in themselves. While defence capabilities are one way of contributing to a secure external environment, they are not the only way. We believe that international and regional security can well be promoted through positive measures such as multilateral diplomacy, and through the building of trade and cultural links. We intend, therefore, to place defence within a broader strategic framework in order to make the right choices, balancing the use of the various foreign policy instruments that we have available¹¹²

In describing its approach to achieving security goals, the Government also refers to 'a comprehensive approach to security'. *New Zealand's Foreign and Security Policy Challenges* notes that,

- A comprehensive approach is needed to promote our external interests and meet our international responsibilities. This involves a range of foreign policy instruments along with defence.¹¹³

The *Government's Defence Policy Framework* also refers to comprehensive security, arguing that,

Defence is one aspect of New Zealand's foreign and security policy. 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. The Government will work to promote a comprehensive approach to security.¹¹⁴

The Government seems to use the phrase "comprehensive security" to suggest that a wide range of instruments should be used to achieve defence and security goals. This definition matches the broad definition given in the literature.¹¹⁵ However, a comprehensive approach to security defies specific definition, so that virtually any defence and security policy may be developed under the banner of comprehensive security. For the Labour-Alliance Coalition Government, comprehensive security may suggest (like 'security is more than defence') a particularly strong preference for the use of non-

military instruments to achieve goals. Suggesting such a policy, the *Defence Policy Framework* states that,

The Government believes that New Zealand can best contribute to regional stability and global peace by promoting comprehensive security through a range of initiatives including diplomacy, the pursuit of arms control and disarmament, addressing global environmental concerns, providing developmental assistance, and building trade and cultural links.¹¹⁶

This comment on the Government's approach to security does not even mention a role for the Defence Force. Also suggesting a strong preference for diplomacy over defence is the following remark made by Disarmament Minister Matt Robson in response to criticism of the Government's policies from seven former defence chiefs. Robson asserted that,

They [the former defence chiefs] are quite wrong to allege that there is no clear defence strategy. The strategy is not, however, focused on using military means to address symptoms. It utilises a much wider range of diplomatic, economic and other international cooperation instruments to address the causes of regional and global insecurity.¹¹⁷

The Minister's comment suggests a belief that the previous Government neglected the full range of security instruments but that this Government has acted to remedy the problem. Robson's comment equates closely with the Report's arguments.

Another suggestion of the DB2K Report is to increase the proportion of ODA to defence expenditure. The Government does not seem to have followed this suggestion, but a review has been conducted which has seen a reorganisation of New Zealand's ODA delivery.¹¹⁸ Finally, the Report recommends that "a machinery of government review be undertaken to: consider the options for co-ordinating departmental inputs into defence and security policy,¹¹⁹ and that an examination be undertaken of "the balance between the allocation of resources to all the various aspects of the conduct of foreign relations, looking at the interdependencies and in terms of a strategic

approach to the management of whole-of-government priorities.”¹²⁰ Once again, a review has been conducted.¹²¹

Conclusion

With regard to the identification of New Zealand’s interests, the perceived nature of the strategic environment, and the role of defence as a contributor to security, there has been a mixture of continuity and change in the Labour-Alliance Government’s defence policy; this mixture of continuity and change is consistent with the recommendations of the DB2K Report.

The Government’s identification of New Zealand’s security interests shows considerable continuity with previous defence policy, and agreement with the DB2K Report. This is evident from the Government’s use of the ‘concentric circles’ depiction of New Zealand’s interests and the explanation of New Zealand’s interest within each regional unit.

By contrast, there is significant discontinuity from previous policy in the analysis (where it exists) of the long-term nature of the strategic environment. Where the defence policy of the 1990s perceived uncertainty and potentially danger in the long term, the Government and the DB2K Report look to the short term and predict continuity. This new approach is of more than passing significance because it leads to a radically different perspective on the role of defence as a contributor to security. Under the defence policy of the 1990s, the perception of an uncertain future was closely tied to a view of defence as insurance. This was in turn believed to provide a number of indirect benefits. By contrast, the Labour-Alliance Government, in agreement with the DB2K Report, sees defence not as insurance against an uncertain future, but primarily as a contributor to the less serious contingencies that may arise in the short term. This is a fundamental departure from the defence policy of the 1990s which regarded future risk and uncertainty as central principles of defence. Finally, the Government regards the indirect benefits of defence as either unimportant or better provided by instruments other than defence. This is reinforced by the policy of

comprehensive security, which seems to suggest an increased role for policy instruments other than defence.

Endnotes – Chapter One (pages 1-27)

- ¹ DONZ 1991, p.7; SONZD 1997, p.23; *Inquiry into Defence Beyond 2000*, p.12.
- ² *Inquiry into Defence Beyond 2000*, p.18; DONZ 1991, p.28.
- ³ *Inquiry into Defence Beyond 2000*, p.18; SONZD 1997, p.23
- ⁴ *Inquiry into Defence Beyond 2000*, p.18; SONZD 1997, p.24.
- ⁵ *Inquiry into Defence Beyond 2000*, p.19; SONZD 1997, p.24.
- ⁶ *Inquiry into Defence Beyond 2000*, p.107.
- ⁷ *1996 Defence Assessment*, p.i.
- ⁸ *Inquiry into Defence Beyond 2000*, p.5.
- ⁹ DONZ 1991, p.7
- ¹⁰ *Inquiry into Defence Beyond 2000*, p.83.
- ¹¹ DONZ 1991, p.45.
- ¹² *Inquiry into Defence Beyond 2000*, p.17.
- ¹³ 'Government Members' (minority) Report', p.115.
- ¹⁴ *Inquiry into Defence Beyond 2000*, pp. 19-22.
- ¹⁵ DONZ 1991, p.20.
- ¹⁶ *Inquiry into Defence Beyond 2000*, p.20.
- ¹⁷ *ibid.* p.20.
- ¹⁸ DONZ 1991, p.28.
- ¹⁹ *Inquiry into Defence Beyond 2000*, p.24.
- ²⁰ DONZ 1991, p.28.
- ²¹ *1996 Defence Assessment*, p.22.
- ²² *ibid.* p.21.
- ²³ *Inquiry into Defence Beyond 2000*, p.27.
- ²⁴ Gerald Hensley, 'The Development of the 1991 White Paper, Address to the Military Studies Centre', 1992, p.3.
- ²⁵ *1996 Defence Assessment*, p.1.
- ²⁶ Gerald Hensley, 'Government Policy and Force Structure', 1998.
Retrieved 5 January 2001 from the World Wide Web:
www.defence.govt.nz/scripts/press/index.asp?page=5
- ²⁷ DONZ 1991, p.10.
- ²⁸ Gerald Hensley, 'Government Policy and Force Structure'

²⁹ *ibid.*

³⁰ *National Business Review*, 17 September 1999.

³¹ *Inquiry into Defence Beyond 2000*, p.28.

³² *ibid.* p.28.

³³ *ibid.* p.28.

³⁴ David Dickens, 'An Independent Review of the Foreign Affairs, Defence, and Trade Parliamentary Select Committee's Interim Report "Inquiry into Defence Beyond 2000"', in *Papers on the Interim Report of the Defence Beyond 2000 Inquiry of the Parliamentary Select Committee on Foreign Affairs, Defence, and Trade*, David Dickens and Ron Smith (eds.), Wellington, 1999, p.3.

³⁵ 'Government Members' (minority) Report', p.114.

³⁶ *Inquiry into Defence Beyond 2000*, p.11.

³⁷ New Zealand Ministry of Defence and New Zealand Defence Force, *Submission to the Inquiry into Defence Beyond 2000*, submission 51A, 1998, p.1.

³⁸ Gerald Hensley, 'Government Policy and Force Structure'

³⁹ Gerald Hensley, 'The Development of the 1991 White Paper', p.5.

⁴⁰ SONZD 1997, p.27.

⁴¹ *1996 Defence Assessment*, p.ii.

⁴² Gerald Hensley, 'The Development of the 1991 White Paper', p.4; DONZ 1991, p.40.

⁴³ 'Government Members' (minority) Report', p.117.

⁴⁴ Stephen Hoadley, 'Submission by Associate Professor Stephen Hoadley to the Parliamentary Select Committee on Foreign Affairs, Defence, and Trade responding to the Committee's *Interim Report on Defence Beyond 2000*', in *Papers on the Interim Report of the Defence Beyond 2000 Inquiry of the Parliamentary Select Committee on Foreign Affairs, Defence, and Trade*, David Dickens and Ron Smith (eds.), Wellington, 1999.

⁴⁵ SONZD 1997, p.42; DONZ 1997, p.39.

⁴⁶ *Inquiry into Defence Beyond 2000*, p.65.

⁴⁷ *ibid.* p.11.

⁴⁸ *ibid.* p.11.

⁴⁹ *ibid.* p.17.

⁵⁰ *ibid.* p.28.

⁵¹ DONZ 1991, p.36.

⁵² *Inquiry into Defence Beyond 2000*, p.77.

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Chapter Two: The Focus of Defence

Introduction

This chapter addresses three related aspects of defence policy: relationships, regions of emphasis, and operations. Defence relationships consist of defence links (such as joint consultation, procurement, exercising, or operating) between countries to advance shared interests. Regions of emphasis is concerned with where a defence force primarily operates, and operations is concerned with what a defence force does. Relationships, regions of emphasis, and operations constitute the 'focus of defence.'

New Zealand's defence relationships have been a central point of contention in the debate over its defence policy. During the 1990s, policy makers sought to contribute to the relationship with Australia to that country's satisfaction and to restore links with the US in the wake of the ANZUS rift. These were both considerable challenges. Australia tends to expect more from New Zealand than New Zealand is willing (or able) to contribute. Moreover, Australia attaches greater significance to defence generally, and sees defence as central to the relationship with implications which reach beyond the purely defence aspects.

The attempts to restore defence links with the US and to sustain a defence force credible to the Australians were not universally supported. Critics argued that New Zealand and Australian interests are not as close as they may be portrayed, and that an overly close association with such powers as the US and Australia may lead to New Zealand losing its independent voice.

Less prominent has been the debate over where New Zealand's defence effort should be focused. Under the "omni-directional" policy of the 1990s, New Zealand's defence effort was directed far beyond New Zealand into the South Pacific, East Asia, and the rest of the globe.¹ There was a particular stress on the security of South East Asia on account of trading links and proximity. Critics of this approach argued that attempting to match New

Zealand's global interests with a global defence effort was to spread limited resources too thinly, and to neglect closer to home areas (such as the South Pacific) which could benefit most from New Zealand's contribution.

Further debate has revolved what operations the New Zealand Defence Force should be tasked with. The central issue is how to strike a balance between preparation for the lower level contingencies that are most likely to arise in the short term (such as peace support), and the higher level operations which may or may not arise in the longer term (war). Governments during the 1990s steadfastly maintained that both were affordable and necessary. In contrast, critics argued that only the former is necessary and affordable.

The DB2K Report made recommendations and suggestions on relationships, regions of emphasis, and operations. In each case, the Report proposes significant changes. This chapter systematically compares the approaches to these issues of the DB2K Report, the defence policies of the 1990s, and the defence policies of the Labour-Alliance Government. The chapter firstly compares the Report's recommendations with the defence policies of the 1990s, and then compares the policies of the Labour-Alliance Government with these two approaches.

Part One: The Recommendations of the *Inquiry into Defence Beyond 2000* and the Defence Policies of the 1990s

Defence Relationships

The DB2K Report's analysis of New Zealand's defence relationship with Australia affirms the value of the relationship to New Zealand, and describes it as New Zealand's "closest and most complex."² However, the Report does not see the same range of benefits arising from the relationship as were perceived under the 1990s policies, nor does the Report note the need for New Zealand's defence effort to remain credible to Australia. Further, the Report makes a special point of emphasising New Zealand's independence and the differences between the two countries.

Identifying differences between the countries and limitations on the relationship is not a new idea. The 1991 White Paper, for example, notes that, "There is a commonality of interest between Australia and New Zealand, reflected in their approaches to collective security. That does not mean there is complete strategic identity." The White Paper also notes that, "Neither country wishes the close and cooperative relationship to decide the totality of its force structure."³ However, the DB2K Report goes further, noting that there are significant differences between the two countries in "national identity, economic interests, strategic priorities, social perspectives, and political aspirations."⁴ In particular the Report suggests that Australia tends to have a less optimistic view of the security environment than does New Zealand.⁵ Moreover, Australia, the Report notes, is a country that has much closer links to the United States than New Zealand and which uses its defence policy to underpin its position as a regional power. Perhaps these are not all new observations, but they are given a particular prominence in the Report.

The DB2K Report's perspective on the ANZAC relationship is further illustrated by the rejection of the notion that New Zealand and Australia constitute a 'strategic entity.'⁶ According to DA 1996, New Zealand and Australia form a strategic entity because a threat to either New Zealand or Australia would be perceived as a threat by the other ANZAC partner.⁷ Yet because the Report agrees a threat to either New Zealand or Australia would be perceived as a threat by the other ANZAC partner, the Report must see the strategic entity epithet as representing a deeper and less satisfactory meaning. The objection may be that an overly close association with Australia (as suggested by the 'strategic entity' phrase) will result in New Zealand losing its ability to vocalise the differences between the countries that the Report is careful to illustrate.

In another point of divergence from the 1990s policies, the DB2K Report sees fewer benefits flowing from the ANZAC relationship. Among the benefits of the relationship, the Report notes that the Australian Defence Force (ADF) provides "excellent" bench marking and training opportunities for the NZDF that contribute to NZDF interoperability not only with the ADF but

also with NATO defence forces.⁸ This approach corresponds with the 1990s policies. However, while the Report notes that New Zealand and Australia would automatically come to each other's aid in the event of a serious threat,⁹ there is no mention of New Zealand operating alongside Australia in a more likely contingency. This is a conspicuous omission, given the central argument in DONZ (and other 1990s documents) that the NZDF will invariably operate with partners, Australia being the most likely and desirable candidate.¹⁰ In another important difference, the Report notes that, "We heard, while we were there [in Australia] how the part we play as an ally assures the Australians of the strength of our commitment to the wider relationship and increases their willingness to respond to requests in non-defence areas."¹¹ The DB2K comment seems non-committal, especially when compared to the direct assertions made in the DA, such as, "The defence relationship is critical to the whole range of New Zealand's interests with Australia."¹²

This disagreement over the benefits of the relationship may also explain the absence of any stress in the Report on the importance of New Zealand's defence effort remaining credible to Australia. According to DA 1996, New Zealand's defence effort needs to be credible to Australia if New Zealand is to receive the full benefits of the relationship.¹³ However, this consistent theme in the DA is missing from the DB2K Report.

The DB2K Report argues that Malaysia and Singapore are important defence partners, and that the defence relationships with them should not only continue but should be enhanced.¹⁴ However, the Report notes that the Five Power Defence Arrangements, which brings together New Zealand, Australia, the UK, Malaysia, and Singapore in defence of the two south east Asian countries, has become "somewhat anachronistic" since the "success" of ASEAN.¹⁵ This comment suggests the perspective that multilateral institutions are a more appropriate means for advancing security than military alliances. Nonetheless, the Report notes that, "it makes sense for the NZDF to concentrate on developing further the cooperative defence relations built up over many years with our two Commonwealth partners."¹⁶

The DB2K Report also recommends that an effort be made to create or enhance New Zealand's defence partnerships with Fiji, Ireland, the French forces in the Pacific, and the United States Coast Guard operating off Western Samoa.¹⁷ The key value of building such relationships, argues the Report, would be to improve the peacekeeping capabilities of the NZDF. This is also part of the rationale for enhancing relations with Singapore and Malaysia.

On New Zealand's defence relationship with the United States, the Report has little to say, and beyond establishing links with the US Coastguard it does not propose any means for restoring pre-ANZUS rift defence links. Several comments in the Report appear to emphasise the importance of the United States to New Zealand's defence policy. For example, in reference to the Select Committee's previous two inquiries, the Report states that, "No examination of defence and security issues could ignore the pre-eminence of the military power of the United States since the end of the Cold War."¹⁸ Further, the DB2K Report states that, "The logic of maintaining firm alliance relationships with countries with which we have great deal in common is evident."¹⁹ However, these comments are not followed by any affirmation that a functional defence relationship with the United States is desirable, nor are there any steps proposed to bring New Zealand and the United States into a closer defence relationship.

The significance of the DB2K Report's position on defence relations with the US is made clear by a comparison with DA 1996 and DONZ 1991. Both policy papers stress the (potential) value of a normal relationship with the United States and DONZ 1991 even seems to suggest that ANZUS was still functioning as a trilateral alliance. According to the 1991 White Paper, "The alliances and associations we choose to make with other countries, like ANZUS with Australia and the United States or the South Pacific Forum are also part of the [defence policy] framework."²⁰ Moreover, DONZ 1991 also argues that, "the logic of the alliance has persisted, and so therefore has the search for a solution to the differences which divide it. The treaty itself remains in force and provides the main formal expression of our defence links with Australia."²¹ Moreover, one of New Zealand's defence goals listed in

DONZ 1991 was "To work to re-establish an effective defence relationship with New Zealand's other traditional partners, especially the United States and the United Kingdom."²² The 1996 *Defence Assessment* continues the themes in DONZ 1991 by noting that, "New Zealand's objective is to return to a normal defence relationship with the United States."²³ The 1997 White Paper argued that "it is in the interests of both sides to work together as closely as possible."²⁴ No such comments may be found in the DB2K Report which suggests that a normal defence relationship between New Zealand and the United States is not considered a priority. This is in contrast to the Select Committee's earlier report, *New Zealand's Place in the World*, which notes that, "Many of us...would like to see continuing improvements in the level and range of security cooperation between our two countries."²⁵

The DB2K Report's recommendations for New Zealand's defence relationships are indicative of the new direction in which it would like defence policy to proceed. The proposed new and enhanced relationships are expected to improve New Zealand's peacekeeping abilities while the dismissive attitude towards the FPDA and the omission of comments on the US suggests a desire to move further from alliance style relationships, which DB2K may associate with the entanglement of fighting other nations' wars. The alliance with Australia is regarded as essential, but constraints are identified. The key differences from the defence policy of the 1990s are the attitudes towards the FPDA and the strategic entity label, the reluctance (by omission) to include a reference to re-establishing defence ties with the US, and minimal (or non-existent) reference to remaining credible in the eyes of partners.

Regions of Emphasis

Under the defence policy of the 1990s, contributions to the security of New Zealand and the South Pacific, East Asia, and the rest of the world were described as being three equal pillars of defence policy.²⁶ However, force structure considerations and other forms of evidence suggest that underlying this three pillared approach was an emphasis on East Asia as a focus for

defence policy. This emphasis is not supported by the DB2K Report, which recommends a stronger South Pacific emphasis followed by global concerns and then East Asia.

Statements made during the 1990s on the place of East Asia in New Zealand's defence policy suggest a special status for this region. According to the DA, "These regions of the emerging Asia-Pacific community are strategically the most important for New Zealand."²⁷ The same point was made by Gerald Hensley in 1998 when he suggested that New Zealand's defence involvement beyond the Asia-Pacific constitutes good international citizenship,²⁸ a facet of defence which Gerald Hensley and other representatives of the 1990s policy usually regard as being of strictly secondary importance. Further, there is a strong suggestion in the 1990s documents that ability to perform useful roles in East Asia was regarded as a key determinant of force structure decisions.²⁹

Statements describing East Asia as the most significant region for New Zealand defence policy and as a locus for force structure decisions are not evident in the DB2K Report. One of the reasons for this may be that the Report disputes the argument that New Zealand's trading interests in East Asia are strongly supported by New Zealand's defence effort in the region. Under the defence policy of the 1990s, it was argued that New Zealand defence and trade are closely linked in East Asia because security (partially provided by defence efforts) promotes growth and allows safe passage of trade. Moreover, healthy defence relationships were said to generate healthy trade relationships. The link between East Asia, defence, and trade is made in the DA, which argues that, "East Asia has become our strategic focus. Our security interests there increasingly converge with our economic interests."³⁰ Similarly, Max Bradford has argued that,

The geographical area, or sphere, against which we should test our interests has to be the Asia-Pacific region, though some would have us shrink it to the South Pacific. Forty per cent of our trade goes into the Asia-Pacific region. Barely four per cent goes to the Pacific. North and South Asia will become more, not less, important to us over time, so that is where our economic, foreign and defence focus will inevitably lie.³¹

However, these are not arguments that are supported by the DB2K Report, despite its recognition that New Zealand's well-being is heavily dependent on trade with and through East Asia. As noted below, the Report does not see the RNZN defending trade routes and it does not claim that defence is an efficient promoter of trade relationships. These attitudes may help to explain why the Report does not believe that East Asia should be a focus of New Zealand's defence policy and NZDF operations

The DB2K Report also objects to the ways in which New Zealand's defence policy sought to contribute to security in East Asia during the 1990s. According to the DB2K Report, the nature of New Zealand's interest in security in East Asia has evolved considerably. The Report states that:

New Zealand's *traditional interest* in engaging our armed forces alongside Australia's in South East Asia, an interest which grew out of our common imperial relationship with Britain and was transformed to some extent by our joint alliance with the United States, has been overtaken by regional cooperation developments, and is now a subset of our *contemporary interest* in a more broadly defined concept of global security. The experience of the last decade is that countries committed to international security have been required to engage in conflict around the world, rather than simply confine themselves to their own region.³²

However, the DB2K Report suggests that defence policy has not shifted to match the changed interest. Instead, the Report argues that New Zealand continues to maintain a Cold War style strategy of forward defence whereby New Zealand and its allies seek to arrest any threats that emerge in Asia before they directly menace New Zealand via the 'South East Asian land bridge'.³³ Since forward defence is explicitly rejected by DONZ 1991 in favour of self-reliance in partnership,³⁴ the Report's use of the expression may refer to a basic aversion to any kind of New Zealand combat commitment to East Asia. According to the Report,

The fact that New Zealand's interests would be affected by significant internal unrest in certain parts of Asia or insurgency that could spill over borders and/or pose a risk to

New Zealanders does not, however, readily translate into a requirement for a military - as opposed to a peacemaking or peacekeeping response from New Zealand. Neither would the escalation of disputes over islands, maritime or land boundaries, or disputes over resources such as those that now exist in the South China Sea, because it would be difficult for New Zealand to determine which of its Asian trading partners to align itself with.³⁵

In addition, the Report argues that a combat contribution is no longer acceptable because New Zealand would not accept any more of its citizens dying in Asian wars.³⁶

By contrast, retaining the capability to make a credible combat contribution to the security of East Asia (especially South East Asia) is an option which the DA and DONZ 1991 seek to keep open and which both documents argue is essential for New Zealand's interests in the region to be upheld, trading interests included. The *Defence of New Zealand* argues that New Zealand must retain the ability to make a combat deployment to South East Asia.³⁷ This in turn needs to be signalled by the retention of appropriate combat capabilities and participation in exercises (such as FPDA exercises) which practise the operation of these capabilities alongside the armed forces of friends and partners. This approach to New Zealand's involvement in the security of East Asia is also part of a three tiered model outlined in the DA:

- a Participation in regional security dialogue and preventative diplomacy.
- b Demonstrating New Zealand's commitment to regional security through the provision of military training assistance, military visits, exchanges, exercises and other forms of confidence building measures. This would include active participation in FPDA activities.
- c Participation in collective security actions to maintain peace and stability should there be the prospect of a breakdown in security. This could involve committing forces to: protect shipping; undertake preventative deployments of naval, land and air forces; impose sanctions or blockades; and participate in multinational military missions to halt aggression and restore peace and order.³⁸

Instead of contributions to security that include a demonstrated willingness to contribute forces to combat, the DB2K Report would like to see New Zealand's contributions focus on non-defence instruments, with any defence missions to be restricted to peacekeeping. However, this recommendation is not entirely clear in the Report. Suggesting sympathy for a broad-based involvement in East Asia like the DA, the Report notes that,

We saw elements of a broadly based regional security policy for New Zealand as including active participation in important regional fora such as APEC and the ASEAN Regional Forum; a constructive approach to regional human rights initiatives; and where necessary and feasible, mediation and peacekeeping. We also recognised the importance of maintaining well equipped, well trained defence forces capable of engaging in the region at whatever level the Government might determine, for the advancement of New Zealand's interests. This demonstrated [sic] to other countries a national willingness to share the collective international burden of maintaining peace and security.³⁹

This section from the Report demonstrates the two important and contrasting perspectives that run through the Report. The first sentence emphasises diplomatic tools and suggests that peacekeeping is the last resort. The second two sentences are far more traditional, noting the possibility of "engaging in the region at whatever level the Government might determine" and the need to demonstrate to other countries a commitment to sharing the security burden (in other words 'pulling our weight' and remaining credible). Despite the tangle of the Report's arguments, the approach that sees peacekeeping as the final resort seems dominant. This is suggested by the recommendation that,

New Zealand's engagement in the security of South East and North East Asia should now concentrate on participation in regional security dialogue and preventive diplomacy. Our population is small and our military resources are limited. Without totally excluding the possibility, the reality is that New Zealand is not well placed to contemplate taking sides in any of the larger conflicts that may break out in Asia.⁴⁰

The combined implication of the Report's recommendations is that New Zealand's actual and potential defence roles in East Asia should be firmly constrained. According to the Report, East Asia should not be a special area of emphasis for New Zealand defence policy or NZDF operations.

Instead, the thrust of the DB2K Report appears to be that the South Pacific should be considered central to defence policy followed by global operations (outside the Asia Pacific). Operations in the South Pacific are at the top of the Report's prioritisation of defence tasks (see below) and United Nations peace support tasks are placed second. By contrast, operations under collective security arrangements (alliances) are near the bottom of the list. There is also a suggestion that the ability to perform roles in the South Pacific should be a core consideration in force structure decision making. For example, the Report suggests that a fighter jet capability is of little value because it would not have a useful (or 'environmentally safe') role in the South Pacific.⁴¹ Finally, the commentary in the Report on South Pacific defence roles is very positive while the attention given to defence roles in East Asia is almost entirely negative.

NZDF Operations

As noted in Chapter One, the DB2K Report sees the NZDF contributing to New Zealand's interests primarily by meeting or helping to meet what it sees as the more likely low level or non-military challenges in the short to medium term. This translates into a focus for the NZDF on such tasks as peace support and Exclusive Economic Zone surveillance. This conclusion is driven not only by the Report's perceptions of the strategic environment (chapter one) but also by its argument that attempting to provide insurance spreads resources too thinly for the NZDF to be effective. A prioritisation of NZDF roles that focuses on peacekeeping, argues the Report, will channel scarce funds into the most cost-effective capabilities, thus saving money and creating a useful Defence Force.

Both the DB2K Report and the *1996 Defence Assessment* identify an urgent need to restore the capabilities of the NZDF in the face of the

impending or immediate block obsolescence of much of the NZDF's capital equipment.⁴² Addressing these problems was the reason that the DA was commissioned, and it notes that "Resolving this problem cannot be postponed any longer...Doing nothing is not an option for New Zealand".⁴³

The explanations for this state of affairs provided by the DA and the DB2K Report diverge sharply. According to the DA, defence allocations had been inadequate to fund the roles which the Defence Force was expected to perform.⁴⁴ By contrast, the DB2K Report points to the NZDF's roles as the problem, arguing that the defence is unfocused rather than underfunded. According to the DB2K Report, the Defence Force had been trying to prepare for an excessively wide range of roles, thus spreading resources too thinly for the Force to be effective. To quote the Report,

the traditional approach of trying to prepare for the widest possible range of military contingencies – remote though they may be in time and place – is not, in our view, a good use of limited resources. We run the risk of doing nothing adequately in an attempt to be ready for anything. This approach has all too often been used as a cover for shifting the blame for failings in the defence system on to funding cuts imposed by others.⁴⁵

The Beyond 2000 Report's solution is to replace what it perceives as a diffusion of effort and resources with a concentration on the defence roles that it perceives to be most important. According to the Report, "In the prevailing fiscal climate, New Zealand cannot maintain a credible, relevant defence force at appropriate readiness without prioritising our strategic interests and defence tasks, and then logically deriving the most appropriate force capabilities."⁴⁶ The guiding rationale for this prioritisation is perceived likelihood of requirement in the short to medium term. The Report calls this "balance", which it defines as

the need to gain the best value out of the NZDF as an instrument of state policy by giving priority to those tangible tasks that New Zealand is currently undertaking or may be required to undertake in the short to medium term. It favours specific outputs over more generic options.⁴⁷

By prioritising likely short term roles over possible long term roles the Report expects defence funding to be channelled into the most useful areas and thus improve the cost-effectiveness of the Defence Force. As McNamara has said, "If tasks could be prioritised, this must have implications for the allocation of scarce resources to various military capabilities and, consequently, for the Defence Force's capital acquisition plan."⁴⁸

The framework used to develop these priorities is section 5 of the Defence Act (1990), which outlines the purposes for which armed forces may be raised and maintained in New Zealand.⁴⁹ In justifying this approach, the Report affirms that, "We have no difficulty in endorsing those purposes, and we see value in setting priorities for them on the basis for the need to retain military competency, the relevance of those purposes to current needs, and the most likely contingencies which the NZDF can be called on to address."⁵⁰ Using this formula, the Report recommends that defence tasks be prioritised as follows:

- Protection of New Zealand's interests, including the EEZ [Exclusive Economic Zone] and responsibilities in the South Pacific.
- Contribution of forces for peace support purposes, particularly in coalitions of like-minded countries operating under a mandate from the United Nations.
- Provision of services to local communities in New Zealand.
- Assistance to the Police to maintain law and order, particularly through the provision of specialised skills and resources.
- Contribution of forces under collective security arrangements, noting that this is less likely than in the past, as more durable co-operation arrangements emerge in those areas that have traditionally been of the most strategic and economic concern to New Zealand.
- Defence of New Zealand, noting that we are not likely, in the short to medium term at least, to face the direct use of armed force against us.⁵¹

As part of the prioritisation, the Report would like to see the NZDF increase its provision of services to New Zealand communities, such as involvement of the Defence Force in responses to civil defence emergencies. The Report notes

that, "We would see a much wider role for the NZDF in civil defence."⁵² It also states that, "The NZDF, without neglecting its military role beyond New Zealand, needs to develop its domestic emergency management role."⁵³ According to the Report, there should also be more involvement by the Defence Force in training young people and the unemployed. However, the Report does not make any specific recommendations in this area.

The Report's prioritisation of tasks received significant criticism. The main argument was that a focus on likely contingencies would leave New Zealand vulnerable to the more serious contingencies which may emerge in longer term (see chapter one). A further argument is that a peacekeeping focus will deprive NZDF personnel of combat skills.⁵⁴ This is said to be a problem because the best peacekeepers are said to be trained-for-combat personnel and because an operation specifically requiring combat skills may arise.⁵⁵ Given these factors, it is suggested that combat oriented training should remain standard with peacekeeping training provided as operations necessitating these extra skills arise. That way personnel will be well-prepared for peacekeeping and for combat. However, this is an artificial dispute because the Report agrees that the best peacekeepers are in fact trained-for-combat personnel. Moreover the Report argues that peacekeeping has the potential to be as dangerous as combat and that there may be little difference between the two.⁵⁶

Therefore, rather than train personnel for peacekeeping alone (whatever that might mean) the Report recommends that NZDF personnel should not only be highly trained in traditional combat skills, but they should also receive extra peacekeeping training to prepare them for the special hardships and challenges of peacekeeping. This is the intent of the Report's recommendation three which calls for a "broader training regime."⁵⁷

A second major criticism of the peacekeeping focus is that it would not contribute to New Zealand's interests, but to the interests of other parties. For example, commenting on the *Interim Report*, Ron Smith has said that, "It makes little sense to devote the bulk of our defence effort to crises which, in themselves, are of little importance to us."⁵⁸ Similarly, retired Air

Commodore Goldsmith has argued that, "The primary aim of the armed forces is surely not to do peacekeeping. It's to look after your own interests."⁵⁹ The argument seems to be that peacekeeping scenarios cannot be very important and should not be the focus of defence because they are not likely to comprise serious threats to New Zealand's interests, and may sometimes be geographically far removed from New Zealand's area of interest. Serious threats, by contrast, involve the risk of combat and will probably be closer rather than further away from New Zealand. According to the Green Paper written by seven former defence chiefs,

The important point about peacekeeping is that it rarely impinges on our national security. It is optional. We can choose to go to East Timor or Somalia, or we can choose not to. This means that peacekeeping, however demanding it may sometimes be, is different from conflict which would involve us directly.⁶⁰

However, the DB2K Report must believe that peacekeeping is an important and worthwhile activity, even if "New Zealand's involvement in United Nations and other peacekeeping activities has been very largely outside our own area of direct strategic concern."⁶¹ The Report's argument seems to be that peacekeeping is worthwhile for its own sake and because it provides a more tangible and cost-effective investment than long-term insurance, which (according to the DB2K Report) provides nothing in the short-term and may not even be used in the longer-term.

Proponents of the 1990s policies would also object to the Report's recommendation that protection of sealanes should not be an RNZN role. According to the Report, providing "safe passage of shipping and protection of shipping movements (escort)" are not feasible or necessary roles for the RNZN.⁶² In contrast, DONZ 1991 argues that, "We share the interest of other trading nations in ensuring the free passage of shipping through the major trade routes and choke points, and a shared interest is a shared responsibility."⁶³ In the opinion of the DB2K Report, there is little need to share the responsibility when there are "at least 130 submarines, more than 50 destroyers, and about 200 frigates (excluding United States and Russian

vessels in East and South East Asia alone, all based more closely than the RNZN is to those potential trouble spots.”⁶⁴

Part Two: Labour-Alliance Coalition Government Defence Policy

Defence Relationships

Current Government policy displays an overall accord with the DB2K Report on the appropriate nature, and value of New Zealand’s defence relationships and the responsibilities they engender. Like the DB2K Report the Government regards Australia as New Zealand’s closest defence partner. According to the *Government’s Defence Policy Framework*, “There is no strategic partnership closer than that with Australia.”⁶⁵ Both *New Zealand’s Foreign and Security Policy Challenges* and *The Government’s Defence Policy Framework* is are clear that each nation has an obligation to support the other in time of need.⁶⁶ According to GDPF 2000, “The NZDF will operate with the Australian Defence Force to protect territorial sovereignty and in support of a secure and peaceful region.”⁶⁷

The benefits of the defence relationship are most thoroughly examined in *New Zealand’s Foreign and Security Policy Challenges*, which notes that the relationship provides useful opportunities for joint training, operations, exercising, procurement, and capability development.⁶⁸ The Foreign Affairs assessment also argues that,

*Defence links with Australia are important if we want to maximise the effectiveness of New Zealand defence effort on a limited resource base. Australia has an interest in the capabilities we can provide. These links do not compromise New Zealand operational independence.*⁶⁹

This analysis of the benefits of the relationship with Australia is more detailed than the DB2K counterpart. Moreover, (as Chapter One noted) there is some suggestion in *Foreign and Security Policy Challenges* that New Zealand’s defence effort contributes to the wider relationship.⁷⁰ Thus, there is more emphasis in the Foreign Affairs assessment than in the DB2K Report on the breadth of the relationship and its benefits to New Zealand.

Nonetheless, in agreement with the Report, the Government has made a special point of identifying differences of interest between the Tasman countries and has highlighted New Zealand's freedom to make independent decisions. The suggestion that Australia and New Zealand have different perspectives is firmly made in *New Zealand's Foreign and Defence Policy Challenges*. Although this document notes the value of the relationship, and the ability to manage differences, it places more stress on the difficulties in the relationship and the differences between the two countries than do such documents as *The Defence of New Zealand*, *The Defence Assessment*, or *The Shape of New Zealand's Defence*. The Foreign Affairs assessment notes that, "The areas on which New Zealand and Australia have differences of view are limited but nonetheless important".⁷¹ The assessment also states that, "Security is an area where management of the relationship will continue to be tested."⁷²

Ron Huisken is one commentator who has noticed an increased emphasis on these differences, and he perceives a "sense of detachment in the Foreign Affairs analysis".⁷³ Moreover, Huisken argues that the difference in perspectives is growing, and in particular with regard to attitudes towards South East Asia. He notes particular divergence between New Zealand and Australian views on,

- a) The strategic outlook for the Asia-Pacific;
- b) The potential for the stability of the region to be undermined;
- c) The role of the armed forces in strengthening regional security and stability; and,
- d) The importance to Australia and New Zealand of maintaining forces able to contribute effectively to this role.⁷⁴

Interestingly, these perceived differences between New Zealand and Australian views reflect some of the key differences between the DB2K Report and the defence policy of the 1990s. Huisken's analysis therefore suggests that aspects of the Government's policy reflect important recommendations of the Beyond 2000 Report, in particular that East Asia should not be a focal point New Zealand defence policy.

The clearest linkage between Government's view on defence relationships and the recommendations of the DB2K Report is the rejection of the strategic entity label. The *Framework* makes no mention of the phrase 'strategic entity', and the comment that, "there is no strategic partnership closer than that with Australia." may be intended as an alternative.⁷⁵ It seems most likely that the phrase has been rejected by the Government (and the DB2K Report) to assert New Zealand's freedom to develop its own foreign and defence policy, to suggest a difference between the two nations' interests, and to insulate the Government against claims that New Zealand is not committing enough to the joint defence effort. This interpretation of the strategic entity decision is supported by the *National Business Review* which notes that.

In her rejection of the term 'single strategic entity' to describe the security situation between New Zealand and Australia, Prime Minister Helen Clark does not seem to be signaling an alteration in the defence relationship. At the same time she affirmed the closeness of the ANZAC alliance. What she really wants to do is assert that New Zealand will determine its own defence and security priorities.⁷⁶

Explaining the Government's policy, the Prime Minister has noted that, "We believe in a close defence relationship. What we are saying is: don't take that a step further and use phrases like single strategic entity because that implies that decisions are not made in New Zealand."⁷⁷ Similarly, she has stated that, "We're not a single strategic entity. It would be quite wrong for New Zealand to suggest that we have exactly the same interests, we don't."⁷⁸

The Government supports strong defence relationships with Singapore and Malaysia. According to the *Defence Policy Framework*, one of the roles of the NZDF is to "Build upon existing co-operative bilateral defence relations with Singapore, Malaysia, Thailand and the Philippines."⁷⁹ The Government is happy for the New Zealand participation in the FPDA to continue. This may be at odds with the DB2K Report - which describes the Five Power Defence Arrangements as "somewhat anachronistic".⁸⁰ According to the *Framework*, the Government's fourth defence objective is "to play an

appropriate role in the maintenance of security in the Asia-Pacific region, including meeting our obligations as a member of the FPDA."⁸¹ However, since it has scrapped the NZDF's air combat capability, the Labour-Alliance Government must have a different understanding from the previous Government of New Zealand's role in the FPDA. Under the National Government, possession of an air strike capability was regarded as an essential aspect of FPDA exercise participation (and perhaps FPDA membership). According to the *Defence Assessment*, "Loss of an air-strike capability would effectively deny us a role in the principal FPDA activity - the air defence of Singapore and Malaysia."⁸² Clearly, the Labour-Alliance Government believes that New Zealand's participation can be meaningful and worthwhile without the air combat component.

In line with the DB2K Report, the Labour-Alliance Government's central defence statement (the *Framework*) has no comment to make at all about defence relations with the United States. This omission was noted by defence commentators, some of whom perceived it as step backwards in the relationship.⁸³ The lack of a reference to the United States may suggest that the defence relationship with the US is a sensitive issue which the Government prefers to avoid addressing. However, *New Zealand's Foreign and Security Policy Challenges*, which is not a statement of Government policy, does have a considerable amount to say. The assessment notes the limitations that have been placed on the relationship since the ANZUS split, but continues to stress the value of close defence relations:

In the interests of maximising the effectiveness of our contribution to global security needs, and the safety of our forces, it is to our advantage to build up defence co-operation with the United States as much as possible, notwithstanding the constraints at the Washington end.⁸⁴

While the Foreign Affairs assessment emphasises the value to be gained from rebuilding defence links wherever possible, it argues that, "It is an acceptable position to be a friend rather than an ally."⁸⁵ This approach would be acceptable to the Government because it is not as strong as the ambition of

returning to a “normal relationship” noted in the *Defence Assessment*.⁸⁶ Moreover, there is a suggestion of some influence from the DB2K Report in *Foreign and Security Policy Challenges*, which argues that,

- In managing relations with the US and Australia a framework which emphasises real capabilities and readiness and which provides a stability in defence planning is probably more important than the overall range of NZDF capabilities.⁸⁷

This comment closely reflects the Defence Beyond 2000 conclusion that a choice needs to be made between real capabilities maintained at adequate readiness and a range of capabilities. More importantly the Foreign Affairs comment suggests that a narrower range of capabilities will be acceptable to Australia and the United States. Both suggestions fit with the broader thrust of Labour-Alliance defence policy.

However, while the Government’s policies broadly reflect the explicit and implicit recommendations of the DB2K Report, the Government does not seem to have taken any steps to create or improve defence relationships with Fiji, Ireland, the French forces in the Pacific, and the United States Coast Guard operating off Western Samoa.⁸⁸

Regions of Emphasis

Within the Government’s statements, there are no comments to suggest that East Asia is an area of special significance for New Zealand defence policy. This contrasts with the defence policy of the 1990s. Moreover, some comments by the Government attribute only a limited significance to East Asia for defence policy. The *Government’s Defence Policy Framework*, for example, notes that,

New Zealand’s primary defence interests are protecting New Zealand’s territorial sovereignty, meeting shared alliance commitments to Australia and fulfilling obligations and responsibilities in the South Pacific. The wider Asia-Pacific environment, of which we are a part, is also relevant.⁸⁹

The description of the wider Asia-Pacific (which presumably includes South East Asia but not the South Pacific) as “also relevant” appears somewhat dismissive. Further, there is no mention in Government statements of the “south east Asian land-bridge” as in the *Defence Assessment*, nor is there any mention in the *Government’s Defence Policy Framework* that defence is an important contributor to New Zealand’s wider interests (such as trade) in East Asia.⁹⁰ New Zealand’s Foreign and Security Policy Challenges makes a limited suggestion that defence links (such as the FPDA) contribute to confidence building, preventive diplomacy, and are useful for “broader political reasons”, but the linkage between defence and trade is much less evident than in 1990s policy statements.⁹¹ Thus, the Labour-Alliance Government - like the DB2K Report - does not agree that East Asia should be a key aspect of New Zealand defence policy either for trade reasons or because a threat may emerge from the region (via the south-east Asian land bridge).

More tangibly, the Labour-Alliance Government agrees with the DB2K Report that the ability to perform operations in East Asia and especially South East Asia is not a core criterion in force structure selection. This criterion is central to both the 1991 and 1997 White Papers. According to Huisken,

A notable feature of the 1991 policy paper was the strong reaffirmation of New Zealand’s dependence on a stable and secure Asia-Pacific, and the importance to New Zealand of being able to make a credible contribution to deterring and, if necessary, defeating challenges to regional stability. Most importantly, this was presented as a significant determinant of force structure.⁹²

The 1991 White Paper also notes that, “New Zealand’s major contribution to regional security is to maintain capabilities which signal our commitment to respond to threats to this security.”⁹³ Similarly, the White Paper states that, “To underscore the importance of these relationships [with South East Asian countries], it is necessary to retain the capability to mount operational deployments to South East Asia”.⁹⁴ By the time of the 1997 White Paper, the

perceived importance of maintaining credible capabilities seems to have increased:

New Zealand is becoming increasingly dependent on the Asia Pacific region for both its wellbeing and its security. So there will be a resulting increase in demand on the NZDF's presence and capabilities to support our interests there, as well as to play our part as a good international citizen. Meeting these demands calls for a high level of military effectiveness.⁹⁵

The White Paper also listed one of the components of New Zealand defence policy in the Asia Pacific as ensuring that "New Zealand's contribution to regional security is valued by regional partners and contributes to New Zealand's standing in the region."⁹⁶ For the 1991 and 1997 White Papers, therefore, combat capabilities able to make a credible contribution to security in East Asia were perceived to be an essential part of New Zealand's defence policy and the pursuit of New Zealand's wider interests in the region. Such an approach is absent from the Labour-Alliance's defence policy. Neither the *Government's Defence Policy Framework* nor *Foreign and Security Policy Challenges* suggest that NZDF capabilities should be selected on the basis of their ability to operate in East Asia.

More categorically, there is a declaration that the NZDF will almost certainly not be sent to East Asia in a combat role. According to *Foreign and Security Policy Challenges*, "**New Zealand defence resources would not be particularly relevant to any major conflict**".⁹⁷ The Foreign Affairs assessment also argues that with the exception of the FPDA, "It is no longer useful to look at New Zealand's role in **South East Asia** in traditional defence alliance terms."⁹⁸ Both the *Framework* and *Foreign and Security Policy Challenges* describe New Zealand's approach to security in East Asia in terms that echo the DB2K Report. The *Framework* describes one of New Zealand's security interests as,

- An expanding role in the regional dialogue of South East and North East Asia and, where appropriate, a role in regional security consistent with New Zealand's interests and capabilities.⁹⁹

Following this, the *Framework* describes the Government's fourth key objective as,

- to play an appropriate role in the maintenance of security in the Asia-Pacific region, including meeting our obligations as a member of the FPDA.¹⁰⁰

Except for the reference to the FPDA, these statements are close paraphrases of comments in the DB2K Report, and in common with the Report they suggest some constraints on New Zealand's role in East Asia.¹⁰¹ Even more informative is the *Framework's* statement that New Zealand's role in East Asia should be as follows,

In East Asia, New Zealand's security policy will include active participation in important regional fora such as APEC and the ASEAN Regional forum; a constructive approach to regional human rights initiatives; and, where necessary and feasible, mediation and peace support operations.¹⁰²

This comment also includes a close paraphrase from the Beyond 2000 Report, although the term peacekeeping has been replaced with the more comprehensive term "peace support".¹⁰³ More significantly, the *Framework* does not quote the entire paragraph from the Report, which asserts that New Zealand also needs to be capable of "engaging in the region at whatever level the Government might determine" and being able to demonstrate to other countries a commitment to sharing the security burden (in other words 'pulling our weight').

New Zealand's *Foreign and Security Policy Challenges* also maintains that diplomatic tools are the instruments of choice for New Zealand's involvement in East Asia, that peacekeeping should be considered a last resort, and that combat operations are probably an inappropriate means of supporting New Zealand's interests. The Foreign Affairs assessment states that,

Our special interests in Asia will ...be reflected mainly in the form of our defence and security relationships (e.g. in the FPDA and ARF and in bilateral relationships,

particularly with Australia) rather than through capabilities developed specifically for a role in the region. Although we cannot rule out the possibility that New Zealand would face a decision to commit forces to a combat role in Asia it is not easy to envisage a situation in which this would occur.¹⁰⁴

Most significantly, the Foreign Affairs assessment concludes that, "This limits the value of scenarios involving war in Asia as a point of reference for the development of NZDF force structure."¹⁰⁵ This observation illustrates that while New Zealand has "special interests" in Asia, they will probably not be supported by combat operations. Rather, "*Our main focus will be regional processes and institutions*".¹⁰⁶ Nonetheless, the possibility of an NZDF deployment is not ruled out, but it is made clear that any such deployments would be of the peacekeeping variety. The "general principles" for such deployments are laid out as follows:

New Zealand is most likely to participate where there is:

- a request for assistance from the Government concerned
- explicit United Nations authority and an appropriate mandate
- participation by like-minded countries
- a peacekeeping role rather than a requirement to impose peace.¹⁰⁷

It is clear that there is little or no willingness to deploy New Zealand forces to East Asia when high intensity conflict is expected.

The shift in defence policy away from an East Asian focus has been identified and singled out for special attention by critics of the Government's defence policy. According to Huisken, "in terms of the conceptual rationale for defence forces, the major change in New Zealand has been to substantially discount the ambition to participate actively in shaping the security environment in South East Asia."¹⁰⁸ He considers the choice to "bypass South East Asia" to be "an important constriction of New Zealand's defence horizons."¹⁰⁹ The informal Green Paper (*New Zealand Defence: Airing the Issues*) written by seven former defence chiefs, also complains about the Government's policy by arguing that, "three-quarters of our trade is done in the Asia-Pacific...This is the region where our future lies and we cannot stand

aside from it.”¹¹⁰ This Government - like the authors of the Beyond 2000 Report - is well aware that three-quarters of New Zealand’s trade is done in the Asia-Pacific, and it would agree that New Zealand cannot stand aside from the region. However, the Government would not agree with the Green Paper that New Zealand’s interest in a stable East Asia translates into a focus for defence policy or a guiding rationale for NZDF capability choices.

While it has relegated the importance of East Asia in its defence policy, there is some suggestion that the Government has elevated the South Pacific as a focus for defence policy and defence operations. *Foreign and Security Policy Challenges* suggests that capacity for South Pacific operations is now a central determinant in force structure decision-making. According to this source, “*South Pacific capabilities have to be a core requirement for the NZDF*”¹¹¹ The Foreign Affairs assessment also suggests that, the “Ability to perform core military tasks in the South Pacific should be a primary point of reference for future NZDF capability development.”¹¹² By contrast, the 1991 White Paper argues against this means of force structure selection, stating that operations in the South Pacific, “need not be a principal determinant of force structure.”¹¹³ The White Paper also argues that capabilities selected for South Pacific operations will not be able to perform adequately in New Zealand’s other areas of interest:

Preliminary studies suggest a useful correspondence between the equipment required to operate in the South Pacific and that required to contribute to larger deployments...But there is an important qualification. A force structured for interoperability with Australia and our other allies will also be able to handle most South Pacific tasks. This is not true in reverse.¹¹⁴

In light of the White Paper’s argument, *Foreign and Security Policy Challenges* seems to suggest that the ability to operate in the South Pacific is more important for the NZDF than the ability to operate elsewhere. The Prime Minister has also said that the South Pacific “is where our area of interest is.”¹¹⁵

Various commentators have also identified a shift in defence policy towards a South Pacific focus. According to Deputy Prime Minister Jim Anderton, "This Government has decided to play a significant and properly resourced role in the Pacific as a peacekeeper and under United Nations auspices in the rest of the world when called upon."¹¹⁶ Anderton's reference to the "rest of the world" is ambiguous, but traditionally references to the 'rest of the world' pertain to the area beyond Asia. Critics of the Government have also detected a South Pacific emphasis. Less than charitably, Huisken has written that,

the [May 8 2001] statement accurately reflects the priorities set out in the Defence Policy Framework. Indeed if anything, the statement makes more graphic that the NZDF will be structured to perform missions in New Zealand's immediate neighbourhood and globally in the service of the UN, bypassing, so to speak, South East Asia.¹¹⁷

Another critical commentator is the *Herald's* editor, who has written that,

This Government has decided that the national interest is largely confined to the South Pacific and that all we need is the capability to keep watch on the neighbourhood and to get small better equipped units to the islands quickly if the need arises.¹¹⁸

Max Bradford, is also critical, expressing the view that, "The Clark Government cuts in defence capability are shaped according to a radically different view of the world, focussed on the South Pacific and low level peacekeeping".¹¹⁹

Operations

In agreement with the DB2K Report, Labour-Alliance Government defence policy gives priority to the operations that it expects to be the most likely in the short to medium term. Peacekeeping is presented as the primary role for the Defence Force with an indication that the Force will not be deployed to high intensity operations.¹²⁰

The Government's policies and actions suggest an acceptance of the Beyond 2000 Report's central assertion that defence policy is unfocused (and the NZDF overstretched) rather than under-funded. In agreement with the DB2K Report, the Government is not interested in significantly increasing the defence budget. Mark Burton has said that, "With competing spending priorities in other areas of government expenditure such as health, education, and welfare, substantial increases in the amount we spend on defence is simply not possible."¹²¹ The Government's funding plans for defence include two billion dollars in capital expenditure (a one billion dollar cash injection and a further billion dollars from depreciation spread over ten years) and an extra 700 million dollars (spread over ten years) in operating funding.¹²² Nevertheless, in agreement with the DB2K Report, the Government believes that the DA was not financially realistic and there is little scope for increasing defence expenditure to the extent believed to be necessary to upgrade and maintain the existing range of defence capabilities.

The Government's agreement with the Beyond 2000 Report's strategic and financial arguments, and the wider claim that defence policy is unfocused leading to a diffusion of resources, is significant because this diagnosis invites changes to roles and capabilities rather than increased funding levels and continuance with the existing range of capabilities (as recommended by the *Defence Assessment*). In altering defence roles, the Government has followed the Report's recommendation for prioritisation. This was most vividly demonstrated when Mark Burton stated that, "The [DB2K] report identified a requirement to prioritise strategic interests and defence tasks, and to derive from them the most appropriate force capabilities. We have followed that approach."¹²³ This statement demonstrates clearly both the Government's understanding of the Beyond 2000 Report and the Government's intention to implement the regime of prioritisation to defence tasks and military capabilities.

However, despite the Government's declared policy of prioritising defence tasks according to their likelihood of being required, it has not followed the Beyond 2000 Report's example of explicitly listing the Defence

Force's prioritised tasks.¹²⁴ Such a list could be expected in the *Government's Defence Policy Framework*, which claims to cover, "the Government's goals and priorities for defence."¹²⁵ However, under the heading "Roles and Tasks of the NZDF", there is a description of the NZDF's roles according to geographical regions rather than likelihood of being required, as recommended by the Report.¹²⁶ In the *Framework*, the 'roles list' adds detail to the 'interests list' without conveying a sense of priority. This is a significant departure from the Report's model which ranks the purposes for which armed forces may be raised under the Defence Act 1990. It is to be expected that the "Interests" section is very similar to the White Paper, but it is striking that both the "Interests" and the "Roles and Tasks" sections are, to use Rolfe's phrase, "near enough to identical with their 1997 counterparts", not only in content but organisation.¹²⁷ This may be due to a political desire to understate the peacekeeping emphasis in the Government's defence policy.

Whatever the Government's motive for listing the NZDF's roles in the conventional manner, other sources (including force structure decisions) suggest that the Government has followed the Report's prioritisation. The top priority, according to the Beyond 2000 Report, should be operations in New Zealand's sovereign territory (including the Exclusive Economic Zone), the South Pacific, and the second priority should be United Nations peacekeeping.¹²⁸ According to *Foreign and Security Policy Challenges*, contributions to efforts under UN auspices "will remain a primary role for the NZDF and a principal point of reference for development of NZDF structure and capabilities".¹²⁹ Such a statement will not be found in official statements from the 1990s. The DB2K model was also clearly supported by the Prime Minister in one of her responses to establishment criticism. The Prime Minister noted that,

For the purposes of the current debate, the following points taken directly from our manifesto are relevant. Labour will, the policy read:

★Give priority for the armed forces to New Zealand and South Pacific operations such as disaster relief, resource protection, suitable ODA delivery such as engineering and health projects, and to UN peacekeeping or non-military peace support.¹³⁰

According to Clark, this manifesto promise has been fulfilled. The Labour Party's strong interest in peacekeeping was also evident before the Party formed a government with the Alliance Party. At a pre-election seminar, Phil Goff stated that,

While the threat of a global war has declined, regional conflicts have continued, and New Zealand has evolved an increasing role working alongside other nations in a peacekeeping capacity. Labour believes that the thrust of our future contribution to maintaining international security lies in this area.¹³¹

The Government has also followed the Report's example of using the (apparently) strong public support for peacekeeping to justify its emphasis on this role. In a discussion of the NZDF's East Timor deployment, Mark Burton noted that,

An overwhelming majority of the public, and all of Parliament, supports our peace support role in East Timor. There are many views on what our Armed Forces should look like, but most New Zealanders will agree that peace support is something that we should be doing. While this agreement has always been strong, I believe that East Timor has reinforced it. This has not gone unnoticed by the Government.¹³²

The Defence Minister seems to be suggesting that the Government, has chosen to emphasise peace support because this is the 'nation's democratic will'. This matches comments in the Beyond 2000 Report that note the public popularity of peacekeeping.¹³³ Force structure choices also reflect the Government's priorities. These are discussed in chapter three.

A further point of similarity between the Government's defence policy and the DB2K Report is the omission of any comment on protecting sealanes of communication. The Report notes that this is not a responsibility for New Zealand¹³⁴ and the Government's statements - unlike the *Defence Assessment*

and the 1991 and 1997 White Papers - makes no mention of sea lanes whatsoever. This omission suggests that protection of sealanes is not a role that the Government expects the NZDF to perform.

The Government's critics also discern a shift in defence policy towards the operations and roles that are perceived to be the most likely to be needed within the short to medium term. According to Klitscher, Government policy reflects the DB2K recommendation to prioritise the purposes for which forces are raised under the Defence Act (1990) by likelihood of requirement. The Defence Act lists the purposes for raising forces as follows:

- (a) The defence of New Zealand, and any area for the defence of which New Zealand is responsible under any Act:
- (b) The protection of the interests of New Zealand, whether in New Zealand or elsewhere:
- (c) The contribution of forces under collective security treaties, agreements or arrangements:
- (d) The contribution of forces to, or for any of the purposes of, the United Nations, or in association with other organisations or States in accordance with the principles of the United Nations:
- (e) The provision of assistance to the civil power either in New Zealand or elsewhere in time of emergency:
- (f) The provision of any public service.¹³⁵

Klitscher has asserted that, "the second three purposes have become the principal purposes. In fact they have *dislodged* the first three to become the *only* tasks specified in the Defence Act to which the nation is to remain committed."¹³⁶ Klitscher's comment may over-simplify the situation, but his main conclusion that peacekeeping has become a core focus of defence is accurate. Describing the relevance of peacekeeping and its relationship to defence, he notes that,

Nobody doubts the good purposes of peacekeeping, or the good international citizenship demonstrated by undertaking such tasks. But it isn't *defence*. What we seem to have done is to take present *utility* as a defence policy, and to allow ourselves

to think that by concentrating on present utility we also cover future risk. But that just isn't the case.¹³⁷

Basing defence policy on present or short term utility and not insurance (which Klitscher believes should be integral to defence) is a key recommendation of the Beyond 2000 Report. Clearly, the Government has relegated the insurance dimension to a secondary status. This has also been observed by Huisken. Commenting on the force capability announcements of 8 May 2001, he reflected that,

A further impression conveyed by these recent documents is that of a very practical defence policy. The NZDF will be funded for tasks that the Government confidently expects it will have to perform. The traditional notion of defence as an insurance policy is not indulged.¹³⁸

Both Huisken's and Klitscher's comments suggest a close resemblance between the Government's defence policies and the Beyond 2000 Report's recommendations, and in particular the recommendation that short term utility should guide defence policy to a greater extent than insurance considerations.

However, in one area, the critics' fears do not seem to have been realised: tasks such as protection against civil defence emergencies and combating unemployment have not become central goals of New Zealand defence policy. *New Zealand's Foreign and Security Policy Challenges* states that, "The Defence Force will play a major role in responding to natural disasters in New Zealand and in the region".¹³⁹ This does not suggest whether the Government has increased or intends to increase the role of the Defence Force in responding to civil defence emergencies. More specifically, Mark Burton has said that "no changes have been made" with regard to the NZDF's role in civil defence, disaster relief and search and rescue, nor does it seem that any changes are intended in this area.¹⁴⁰ The *Framework* lists one of the Defence Force's roles as to

- contribute to the Government's social and economic priorities by providing opportunities for training and rewarding careers.

However, no further details are provided which might suggest whether the Government is undertaking new initiatives in this area. The DB2K Report recommends that these goals receive higher priority, but there is little evidence that this is an important element of the Government's defence policy.

Conclusion

The Labour-Alliance Government's policies on defence relationships, the regional emphasis of defence, and the operations performed by the Defence Force closely reflect the recommendations of the *Inquiry into Defence Beyond 2000*. Like the DB2K Report, the Government has stressed the differences of interests and circumstance between New Zealand and Australia, has downplayed the importance of credibility to Australia and has not emphasised the contribution made by defence to the wider relationship. Also reflecting the DB2K approach, the Government has been largely silent on the US connection. Relations with Singapore and Malaysia are regarded as important, but (in contrast to the Report's recommendation) FPDA membership is viewed in a more favourable light.

The geographic focus of the Government's defence policy appears to be firstly on the South Pacific, then 'the global', and finally East Asia. The reluctance to regard East Asia as a central (or equal) area for defence policy is a clear departure from the 1990s policy and a move towards fulfilling the DB2K recommendations. Underlying the Government's policy seem to be some of the same perceptions noted in the DB2K Report, such as the benign nature of the strategic environment, the limited effectiveness of defence as a contributor to New Zealand's trading interests, and an aversion to seeing the NZDF play a combat role in Asia.

In choosing between a defence force able to provide insurance and peacekeeping versus a defence force focussed on peacekeeping, the

Government has selected the DB2K peacekeeping model. Like the DB2K Report, the Government seems to prefer this approach to defence on the grounds that it is more affordable and better suited to New Zealand's strategic environment than the insurance model. The practical significance of the peacekeeping emphasis, as chapter three makes clear, is a shift towards a range of military capabilities that are expected to be most useful in meeting the contingencies of the short to medium term.

Endnotes – Chapter Two (pages 35-67)

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- ¹Gerald Hensley, 'The Development of the 1991 White Paper', p.5.
- ²*Inquiry into Defence Beyond 2000*, p.22.
- ³DONZ 1991, p.20.
- ⁴*Inquiry into Defence Beyond 2000*, p.23.
- ⁵*ibid.* p.23.
- ⁶*ibid.* p.23.
- ⁷*1996 Defence Assessment*, p.18.
- ⁸*Inquiry into Defence Beyond 2000*, pp.24-25.
- ⁹*ibid.* p.24.
- ¹⁰*1996 Defence Assessment*, 57.
- ¹¹*Inquiry into Defence Beyond 2000*, p.22.
- ¹²*1996 Defence Assessment*, p.57
- ¹³*ibid.* p.57.
- ¹⁴*Inquiry into Defence Beyond 2000*, p.27.
- ¹⁵*ibid.* p.27.
- ¹⁶*ibid.* p.27.
- ¹⁷*ibid.* pp.21-22, 32.
- ¹⁸*ibid.* p.14
- ¹⁹*ibid.* p.14.
- ²⁰DONZ 1991, p.16.
- ²¹*ibid.* p.34.
- ²²*ibid.* p.9.
- ²³*1996 Defence Assessment*, p.viii.
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Chapter Three: NZDF Force Structure

Introduction

The military capabilities that a nation possesses are the most visible aspects of its defence posture. They illustrate what roles the armed forces are expected to play in contributing to security, and (as chapter one noted) the mere existence and visibility of military capabilities is sometimes argued to be a role in itself. The high profile of military capabilities also means that disagreements between commentators are most readily illustrated by comparing their force structure preferences. This partly explains why the focus of debate about defence issues is often on ships and aircraft, rather than the policies underlying capability choices. The high cost of purchasing and operating military ships, aircraft, and vehicles also adds to their profile, and the debate.

There has been considerable argument in New Zealand over the appropriate range of capabilities to be held by the NZDF. The debate may partly be due to the lack of any clearly defined threat against which to measure New Zealand's military capability needs. During the 1990s, capabilities were not chosen to meet threats, but to meet foreign policy objectives, and to keep New Zealand's options open against what was believed to be an uncertain and possibly dangerous future. These rationales were perceived by policymakers to coincide.

Maintaining this force structure was acknowledged by the 1991 White Paper to be a considerable challenge.¹ Block obsolescence across the NZDF of capital equipment acquired in the 1960s combined with a shrinking defence budget allocation created significant difficulties which reached a peak in 1996. The response was the 1997 White Paper, which attempted to provide a sustainable long term strategy to maintain the force structure.²

Critics of the National-led Government's approach argued that to continue with the existing force structure was both unnecessary and unaffordable, and that a range of other options could have been adopted.³

These included concentrating combat capabilities in one or two Services (rather than across all three), giving greater emphasis to capabilities with high short term utility, and increasing the jointness of the NZDF.

The DB2K Report devotes considerable space to these matters. It considers issues of cost, command structures, the utility of capabilities for various tasks, personnel, and military technology. While these issues are addressed in dedicated sections, there are also references to force structure throughout the Report, including specific recommendations. The Report's discussion of force structure issues requires a degree of interpretation. However, the overall thrust is clearly critical of significant elements of the 1990s force structure policies, and there are recommendations for a prioritisation of force development according to perceived utility combined with the downsizing (though not elimination) of some capabilities. This chapter systematically compares the approaches to these issues of the DB2K Report, the defence policies of the 1990s, and the defence policies of the Labour-Alliance Government. The chapter firstly compares the Report's recommendations with the defence policies of the 1990s, and then compares the policies of the Labour-Alliance Government with these two approaches.

Part One: The Recommendations of the *Inquiry into Defence Beyond 2000* and the Defence Policies of the 1990s

Attitudes towards the 'Balanced Force'

A key objective of the 1990s defence policies was to retain military capabilities that were primarily useful for higher level contingencies (rather than lower level tasks) in addition to capabilities that were suitable for both roles. This approach was linked with the belief that the future is highly unpredictable and therefore potentially dangerous. Retaining such capabilities, it was argued, would give Governments the best possible chance of responding effectively to the unforeseeable contingencies of an unpredictable future. In the words of the *Defence Assessment*, "it is sensible to aim for a flexible and

balanced force structure which can offer an appropriate response to situations which cannot be foreseen.”⁴

By this rationale, combat and support capabilities were maintained in each Service (Army, Navy, Air Force), and the main combat elements were three (preferably four) frigates, a squadron of combat jets, and two infantry battalions.⁵ This mixture of capabilities was intended to provide options to cover higher level (or insurance) contingencies and lower level contingencies in a land, air, or sea context. Rather than operate together, there was an emphasis on the New Zealand Defence Force providing single Service contributions to allied forces. According to DONZ 1991, “In the past they [Army, Navy, Air Force] have operated separately as part of allied land, air and sea operations. This has once again been the case in the Gulf War and will always be likely in larger collective operations.”⁶ The ‘balanced’ force structure was also believed to provide the indirect benefits of defence described in chapter one (Table 1).

The DB2K Report does not have much sympathy for this approach to shaping the New Zealand Defence Force. The Report’s central concern is that, “Spreading resources too thinly to maintain a ‘balanced force’ has led to a run-down of New Zealand’s military capabilities.”⁷ According to the DB2K Report, attempting to maintain an equal combat emphasis in each Service means that the NZDF is being left behind as other nations take advantage of the Revolution in Military Affairs (RMA). The Report claims that, “The nature of war fighting is changing, and our forces are largely unacquainted with leading edge military technology.”⁸ It also asserts that, “we are critical of **the gap that has emerged between the mere possession of platforms and the credibility of their combat capability.**”⁹ This criticism is applied not only to existing platforms such as the ANZAC frigates, but also to prospective platforms such as the 28 F-16 A/Bs, for which the National Government signed a lease in 1999.¹⁰

In another criticism, the Report argues that the choice to structure the NZDF so that each Service can provide a combat contribution to a larger allied force means that the Services fail to provide adequate support to each

other. Instead of providing such support, the Report argues that the three Services are “set up to fight three different wars”.¹¹ The “classic example” of the Services failing to support each other, according to the DB2K Report, is the alleged failure of the Navy to provide the Army with adequate sealift, thus resulting in a “ridiculous” lack of deployability.¹² The Navy, claims the Report, has chosen frigates over much more practical yet “less glamorous” multi-purpose vessels that could, among other things, deploy and sustain Army units.¹³

Thirdly and finally, the Report claims that the 1990s model leads to “triplication”, or the unnecessary replication by the three services of similar administrative or support roles.¹⁴

Jointness and Force Shape

The DB2K Report recommends a range of changes to address these perceived problems. Central to the DB2K Report’s force structure recommendations is a shift towards jointness within the NZDF. In its most basic form, jointness usually refers to co-operation between the individual services that collectively form armed forces.¹⁵ The principle of jointness may be applied to various facets of defence and military policy including the selection of capabilities, the conduct of operations, the training of forces, and the organisation of command structures. The overriding goals of jointness are to achieve greater effectiveness and efficiency than might otherwise be achieved by single-service efforts. Ideally, jointness eliminates the destructive aspects of inter-service rivalry, reduces unnecessary duplication of functions, and promotes synergy between the elements of different services in combat.

Specifically what jointness should be applied to, in what measure, and with what aims (for example efficiency, effectiveness, or both), is the subject of debate.¹⁶ At one extreme, jointness may involve the unification of the armed services, as attempted in Canada.¹⁷ This approach is generally regarded as unsatisfactory.¹⁸ Other variants of jointness may involve permanent or temporary joint command structures, a degree of joint training, or simply the co-operation of force elements from two or more services on a

mission by mission basis. In New Zealand, joint operations have involved the provision of logistic support by one Service to another, rather than the joint operation of combat components from different Services. During the 1990s provision was also made for a joint command structure to be established as deemed necessary, and there were plans to replace the separate Service operational commands with a standing joint force operational command.¹⁹

While it regards any link between the Canadian experiment and its own recommendations as “misleading”,²⁰ the DB2K Report argues that the principle of jointness should be much more rigorously applied to virtually every aspect of New Zealand defence and military policy.²¹ The Report’s overall intention is to use jointness as a tool for focusing the efforts and resources of the NZDF’s three Services on the common goal of responding jointly and effectively to the most likely contingencies in the short and medium term. This is presented as an alternative to the balanced force, with its objective of providing a range of discrete options to match a range of contingencies of varying intensity. The DB2K Report’s model of jointness does not stress the value of the combat components of the three Services operating together so much as the cooperation of the Services in the tasks that the Report has identified as priorities. Instead of an equal combat emphasis in each Service (a ‘balanced force’) to provide a range of options, DB2K recommends that the Services operate much more closely together and that combat elements be retained according to perceived short term utility. According to the Report, adopting this joint model would require some significant changes to the shape of the NZDF, as well as to its employment, generation, and command structures.

To sum up its preferred approach, the DB2K Report quotes the United Kingdom’s 1998 Strategic Defence Review, which states that,

Future operations will place greater emphasis on projecting military force rapidly over long distances. In this new strategic environment, our armed forces require a powerful and deployable cutting edge based on improved interoperability between the services.²²

Applying this model to New Zealand, the Report argues that the NZDF needs to become,

a self-sufficient, quickly deployable hard-hitting force, small, but fully equipped and highly trained. This means a joint force with its combat capability enhanced by combining **mutually supporting elements that are frequently training and exercising together.**²³

In the words of the DB2K Report, "We are talking about credibly equipped and trained land force elements with organically integrated air and naval support."²⁴ This type of approach is reflected in the Report's list of prioritised capabilities, which are presented as 'joint packages' consisting of high quality combat forces and supporting (combat and logistical) elements.

The DB2K Report recommends that the principles of jointness (as it sees them) be applied to both the command and the generation of the NZDF. At the command level, the Report recommends that the seven headquarters staffs be consolidated into a Strategic Level Joint Staff Headquarters (strategic planning and decision making) and a separate Joint Operational Headquarters commanded by a Joint Operational Commander at the two star level.²⁵ The Report also recommends that the three Chiefs of Staff (reduced to the one star level) be located at the principal bases of their services and that they be responsible for preparing and sustaining military forces as opposed to operational command.²⁶ According to the Report, these changes could be expected to achieve the goals of reducing personnel "top-heaviness" in the NZDF,²⁷ encouraging joint force solutions, and eliminating triplication.²⁸

The DB2K Report, anticipating criticism, notes that, "We are not suggesting that the three services should lose their separate identities, but we strongly advocate a joint approach to both selection of capabilities and the conduct of operations."²⁹ To enhance the joint spirit through training, the Report recommends that all NZDF basic training should occur at Waiouru and Burnham,³⁰ and that a joint staff college be established for middle ranking commissioned officers.³¹ The Report also recommends a more thorough training for recruits; recommendation three states that,




We recommend that recruits undergo more extensive training than they receive at present, including comprehensive civil defence (including ambulance work and fire fighting) training and training in skills applicable to peacekeeping, prior to beginning more specialised military training.³²

In response to this recommendation, the Minority Report argued that, "Joint recruiting and initial recruit training are flawed concepts as each service requires unique personnel attributes and skills."³³

Rationale for Capability Selection

This Report's approach to force structure rests on the conviction (shared by the DA and SONZD 1997) that a distinction can be made between the capabilities and roles likely to be needed for deployment in the short term and the capabilities and roles associated with an uncertain and potentially dangerous future. According to this argument, some capabilities are well suited to such tasks as peacekeeping and combat, whereas other capabilities are essentially suited to the latter. This concept is illustrated in Table 2.

Table 2 The Utility of Air, Naval, and Land Combat Forces for Peacekeeping and War Fighting

	Peacekeeping	War Fighting
Air Combat 	Low	High
Naval Combat 	Medium	High
Land Combat 	High	High

The Report's key force structure recommendation is that the capabilities most suited to the operations that it expects to occur in the short term (such as peacekeeping or maritime surveillance) should receive a higher priority for upgrading than the capabilities better suited to the operations it perceives to be less likely (conventional wars). The Report identifies and lists by priority the capabilities it sees as most useful in the short term, and it argues that other capabilities should only be developed if this does not defer the development of the listed items. Demonstrating significant agreement, the capabilities identified by the Report as priorities are almost all described as vital by the *Defence Assessment* and *The Shape of New Zealand's Defence*. Moreover, there is also evidence that *The Shape of New Zealand's Defence* agreed with the DB2K Report on the order of the priorities.³⁴

Military Capabilities: Land Combat Forces, Air and Sea Logistic Forces, Frigate Upgrades, Surveillance Aircraft

At the top of the list of priorities are modern Hercules transport aircraft and a fully manned SAS force.³⁵ The Report sees these capabilities as a joint package because the Hercules aircraft can deploy the SAS. Both the DA and SONZD 1997 regard tactical air deployment and special forces capabilities as essential and they also note plans to upgrade or replace the existing fleet of Hercules.³⁶

The DB2K Report's second force development priority is a package intended to upgrade land force capability and deployability: "a logistic support ship to carry, and to some extent accommodate in-theatre, mobile infantry elements with helicopters, artillery, signals, engineering and medical support."³⁷

Modern and well-equipped land force elements are a part of the second priority package. The Report recommends that the New Zealand Army consist of two regular force infantry battalions (supported by the territorial force) that possess protected mobility vehicles and are equipped for medium level conflict (the DB2K Report considers this to be a "quantum leap" forwards).³⁸ Each battalion is to contain a reconnaissance company of

particularly high quality. One of these reconnaissance companies should be held at 28 days' notice while the remaining companies in each battalion are to be held at 60 days' notice.³⁹ The upgrades, including new vehicles, should be made incrementally, so that the NZDF acquires the initial ability to deploy, sustain, and rotate a company sized force.⁴⁰ Strength can subsequently be added in stages until it is possible to deploy, sustain, and rotate a full battalion.⁴¹ These recommendations for the Army's upgrade do not differ substantially from the plans described in *The Shape of New Zealand's Defence*, which notes plans to upgrade "armoured vehicles, reconnaissance vehicles, tactical communications, surveillance equipment, and longer range weapons for the infantry."⁴² According to SONZD 1997, "As the deployment of land forces on peace support operations is the most likely task to be assigned to the NZDF in the short term, these [land force] upgrades are a top priority in the investment plan."⁴³ The DB2K Report agrees completely.

The requirement for one if not two logistic ships is given special prominence by the Report, which expects that the ships could perform a range of tasks including relief missions and EEZ patrolling⁴⁴ as well as deployments of land forces. From the Report's description of the vessels, and its requirement that the NZDF maintain a "strategic lift capability", it appears that the Report is calling for ships that are capable of both tactical and strategic sealift.⁴⁵ That is, the ability to deploy over short distances personnel and equipment directly into an operational area (tactical), and the ability to transport equipment and stores over longer distances into prepared facilities such as ports (strategic).

The *Defence Assessment* was also committed to a sealift capability, noting that, "ad hoc or borrowed transport will not meet the need."⁴⁶ The vessel acquired in 1994 to perform these roles was the HMNZS Charles Upham, a former merchant vessel requiring conversion to a military sealift ship. However, there was considerable controversy surrounding the suitability of the Upham to perform as a military sealift vessel,⁴⁷ and (suggesting a lack of enthusiasm for a sealift capability) SONZD 1997 announced that a decision on whether to convert the ship for its military

duties would be deferred for two years.⁴⁸ The DB2K Report had no doubts about the vessel's lack of suitability and argued that the vessel should be sold and replaced by custom built ships.⁴⁹ (The Report also cited the Upham saga as evidence of incompetent decision-making in the defence bureaucracy.)⁵⁰

The third force development priority, argues the Report, should be "a better equipped frigate (to escort and protect forces being deployed by sea)".⁵¹ The Navy, argues the Report, should be able to escort the deployment of its logistic vessels to ward off threats such as those posed by submarines. The Report states that, "Escort and protection of New Zealand forces being deployed by sea is an essential task for the naval combat force, assisted by maritime patrol assets of the air force."⁵² To do this effectively, the Report argues that one of the ANZAC frigates should receive an armament upgrade to Australian standards, while the second ANZAC frigate should receive an upgrade at a later date when technology has advanced further.⁵³ This is not a recommendation of the Report that received much publicity, even though it accords with the overall argument of the DB2K Report that whatever capabilities are maintained by the NZDF must be modern and (where appropriate) equipped for combat.

The fourth priority is surveillance aircraft. Unfortunately, the DB2K Report does not provide details for this requirement. For example, the Report does not say whether the planned avionics upgrade of the Orion aircraft (Project Sirius) should proceed.⁵⁴ However, the Report does note that New Zealand air and naval capabilities should be able to defeat any war-time submarine threat to ships deploying New Zealand Army units.⁵⁵ Since sub-surface surveillance capabilities were included in the Sirius project, it seems that the Report would approve of Sirius in at least some of its aspects.

Following the four part list of force structure priorities, the Report notes three further steps which should be taken in sequence after the capabilities on the four part list (step one) are developed.⁵⁶ The second step is to strengthen the capabilities on the four part list to improve sustainability and survivability in medium level combat, and the third step is to acquire new military capabilities, such as attack helicopters.⁵⁷

Military Capabilities: Air and Naval Combat Forces

The fourth step is “the maintenance of expertise and a limited operational capability in those other extant force elements of the NZDF that could possibly be needed should strategic circumstances deteriorate significantly.”⁵⁸ This involves a significant disagreement with the defence policies of the 1990s. While the DB2K Report fully supports the upgrade of capabilities that both it and the DA expect to be deployed most frequently, the Report has much less sympathy with the DA’s interest in maintaining capabilities against an uncertain future. In other words, there is a dispute over how much insurance is required against future risk. According to the DB2K Report, “We favour equipment related to the production of more specific outputs such as the promotion of international security in current hotspots, over more generic force capability options and longer-term insurance.”⁵⁹ In contrast, the *Defence Assessment* sought both to “rectify the most pressing deficiencies in those capabilities most likely to be needed for early deployment – the Army’s mobility and transportation equipment, air transport and the sensors in the Orions” and to preserve “the NZDF’s capabilities against an uncertain future.” - fighter jets and frigates in particular.⁶⁰ From the perspective of the DB2K Report, these capabilities are a low priority at most, and unnecessary at least. According to the Report, “Major elements of all three services can play effective roles in a reshaped NZDF, but some make a more broadly based contribution to the national security interest and are therefore more cost-effective.”⁶¹

During the 1990s, attempts were made to maintain a ‘blue water navy’. Such a fleet required either four of the older style Leander class frigates or three of the modern ANZAC class frigates (although four was the preferred number).⁶² Such a combat fleet was necessary, it was argued, to maximise the Government’s options in the face of an uncertain future, and to fulfil the specific requirement of sustaining one ship on a distant water mission (including protection of sealanes) for twelve months while having one ship simultaneously available for local tasks.⁶³ This specification is directly opposed by the DB2K Report, which argues that,

We are of the view that the Navy would be adequately contributing towards collective security efforts, including peace support operations, if it maintained the capacity to deploy, occasionally, one ship for a six-month period to a distant water operation as part of an international rotation of similar vessels.⁶⁴

The Report also notes that, "In our view, the Navy's primary area of responsibility should be the waters in the immediate vicinity of New Zealand, a secondary responsibility being the support of wider NZDF interests."⁶⁵ For the DB2K Report these arguments "could" (meaning 'should') negate the need for a third frigate. In its place, argues the Report, could be the two multi-purpose vessels described earlier.

Even more closely associated with defence as insurance is the jet fighter capability. The DB2K Report's attitude towards this capability is ambivalent at most and sceptical at least. However, it is difficult to be certain of the Report's precise position – if such a thing exists.

The Report clearly opposes the National Government plan lease 28 F-16 A/Bs on the grounds that the aircraft are insufficiently modern (compared to F-16 C/Ds), are unlikely to be used in combat or peacekeeping, do not earn credibility, do not contribute to jointness (because the Air Force will neglect transport roles), and are too expensive.⁶⁶ Moreover, the Report argues that the Government's policy "provides no convincing evidence to demonstrate why maintaining the level of air combat capability that is contemplated in the DA does in fact maximise the options available to Government."⁶⁷

Further highlighting its doubts about the jet combat capability, the Report identifies some rather different potential replacements for the A-4s. According to the Report, consideration should be given to equipping a minimum number of P-3 Orions with a maritime strike capacity and providing the NZDF with a credible minimum attack helicopter capacity.⁶⁸ This combination, argues the Report, would fulfil the requirements for maritime strike and close air support (the Committee did not regard the role of air interdiction to be appropriate).⁶⁹

However, despite its doubts about the value of the air strike capability, the Report merely recommends that the Government “reconsider” the role of the force, and choose one of three options: disestablishment on financial grounds, downsizing to perhaps ten aircraft (to maintain institutional knowledge), and the retention of a fully modern fleet if this is politically and financially appropriate.⁷⁰ Laugeson has aptly described Report’s recommendation as offering a “menu of options”.⁷¹ The reluctance to recommend full disestablishment appears to stem from the belief that combat air power is indeed an important aspect of modern warfare and the belief that it might be wise to maintain a limited capability (which could be built on) in the event that a significant strategic deterioration occurs.⁷² It is also likely that there were differing opinions amongst Committee members.

Given the Report’s general theme that insurance capabilities are a low priority, the option to fully modernise the force cannot be considered as serious. However, the middle-ground option, to retain a basic capability that may be built on in times of increasing danger, does receive substantial support within the Report.⁷³ At several points the Report notes the viability of retaining a fleet of ten fighter jets rather than eighteen (which is the “critical mass” specified in the *Defence Assessment*).⁷⁴ Moreover, the Report argues that jet fighters should be at the bottom of the list of priorities rather than off the list completely:

The Government’s decision to replace the present air combat force of 19 A4K Skyhawk aircraft with 28 F-16 A/B aircraft...ahead of upgrading other military capabilities conflicts with our order of priorities. The committee strongly disagrees with this approach. Our objection is not so much to the [F-16] acquisition itself, as to the financial impact on more relevant equipment purchases and upgrades.⁷⁵

Furthermore, the DB2K Report claims that, “The sharper focus on a narrower range of military capabilities does not mean that the nation should not have tucked away the capacity to increase a broader range of defence capabilities in the future should strategic circumstances deteriorate significantly.”⁷⁶ This evidence suggests that rather than disestablish the capability entirely, the

thrust of the Report is towards downsizing. Fighter jets may be low on the Report's list of priorities, but they are still on the list. Commenting on the committee's *Interim Report*, Quigley said that, "We did not close the door on frigates or strike aircraft; we merely suggest what their priority should be."⁷⁷ Downsizing (to a smaller fleet of fighters) was also recommended in Quigley's investigation of the F-16 deal after the election of the Labour-Alliance Government.⁷⁸

Questions of Credibility

The key criticisms of the Report's force structure recommendations are that the NZDF will not be prepared for higher level contingencies which may arise before adequate preparation can be made, and that the reshaped NZDF will therefore not be credible to key partners. Wayne Mapp, an opposition member of the Committee, has argued that New Zealand will not be fulfilling its obligations to friends and partners if the DB2K Report's recommendations are followed:

New Zealand has clear obligations to our friends and allies in the Asia-Pacific region. To do this, we must have an air force with a strike capability and a blue water navy of at least three frigates. Although it is clear that the Army does need upgrading, this can be done without stripping out capability from the other two services.⁷⁹

Making a similar argument, the New Zealand Returned Services Association (RNZRSA) asserts that the balanced force with its two battalion army, three to four frigate navy, and air force able to undertake strategic transport, maritime surveillance and air combat "provides a sufficiently broad range of options that is not only credible but also prudent".⁸⁰ The RNZRSA further argues that, "Credibility will come only if each of these components is kept up to modern standards of capability and interoperability."⁸¹

In response to the claim that New Zealand defence policy will lose credibility, the DB2K Report argues that the joint model would actually enhance the credibility of New Zealand's defence effort with friends and partners. The Report claims that,

In all cases, the speed at which a credible, sustained response can be offered and delivered is absolutely crucial. New Zealand's readiness to be able to shape a response which accurately conveys its level of commitment is a measure of our genuineness and therefore credibility as a partner on the international scene.⁸²

The DB2K Report also claims that,

The value of smaller countries' contributions to operations where military combat is a distinct possibility depends on the quality of the forces deployed, the speed of response and the ability to sustain the national contribution.⁸³

By defining in this way what is credible, the Report is de-emphasising the significance of 'insurance capabilities', and instead emphasising speed of response, quality of forces deployed, ability to sustain them, and the ability to independently control "a limited area of operations".⁸⁴ Ironically, the Report even suggests that the higher level capabilities which it suggests have been traditionally retained for "display" (or credibility) purposes are actually the capabilities which serve to damage New Zealand's credibility because New Zealand cannot maintain them at an appropriate strength. The Report also argues that the disbandment of the air strike capability would not result in a loss of capability because partners could be expected to provide this.⁸⁵

Part Two: The Defence Policy of the Labour-Alliance Government

Since its election, the Labour-Alliance Government has made important decisions and released several statements on force structure. In June 2000, the Government released its *Defence Policy Framework*, which indicates the Government's basic force structure objectives (including a commitment to jointness) and its key force structure priorities (upgrade Army capabilities, provide air and naval transport capabilities, and maintain appropriate maritime surveillance).⁸⁶ The release of the *Framework* was followed by major announcements on force structure in August 2000 and May 2001.⁸⁷ These announcements add detail to the *Framework* and announce some of the Government's self-titled "hard choices".⁸⁸ Both the major statements and other

sources assert that the thrust of the DB2K Report has provided the basis for decisions on defence capabilities. The policy statements released on 8 May 2001 note that, "These decisions are the result of a process that began with Parliament's Foreign Affairs, Defence and Trade Select Committee's Report, *Defence Beyond 2000*."⁸⁹ Moreover, Mark Burton, Minister of Defence, noted in his speech to Parliament on 8 May 2001 that, "Both the Labour and Alliance parties stated in their election manifestos that the Select Committee Report provided a sound basis for the general thrust of future defence planning."⁹⁰

Attitudes towards the 'Balanced Force'

In agreement with the DB2K Report, the Labour-Alliance Government regards the 'balanced' force structure as an inappropriate means for advancing New Zealand's interests. The Labour Party (both in and out of power) has outlined its position in numerous policy documents and speeches. During the 1999 General Election campaign future Foreign Minister Phil Goff closely paraphrased the DB2K Report when he noted that, "When resources are limited, the traditional approach of preparing for the widest range of military contingencies simply doesn't make sense. We run the risk of doing nothing adequately in an attempt to be ready for anything."⁹¹ Once in power the message did not change. The Government has said that its goal is "to develop depth in our defence capability, rather than continue with inadequate breadth."⁹² Mark Burton has also said that,

We have to be clear about what it is we want our Defence Force to do, and make sure the capabilities we have to do those things are the best possible. This inevitably means focusing on depth rather than breadth of capabilities.⁹³

Closely paraphrasing the DB2K Report, Mark Burton has further asserted that,

This Government wants to ensure that our defence dollars are spent wisely. We are a small country with limited means and we cannot do everything. If we spread ourselves too thinly, we end up not being able to do anything very well.⁹⁴

According to the Government - and the DB2K Report - the *1996 Defence Assessment* constitutes an example of spreading resources too thinly. Repeating the Report's central argument, Helen Clark has described the previous Government's defence capital expenditure plan as "unsustainable", and she has said that,

In the 1997 Defence Assessment, the previous government set out plans for defence purchasing, but did not make actual provision for the expenditure required. There have been no additional funds provided to defence over the last three years and no forward provision was made in the last government's budget process. The 1997 Defence Assessment's suggestions were already unaffordable before the previous government entered into the opportunity acquisition of the F-16s.⁹⁵

Similarly, Mark Burton has described the capital expenditure of the National Government as a "shambles".⁹⁶ These pronouncements are significant because the Government (in agreement with the DB2K Report) has partly presented its decision to discontinue the 'balanced force' as a financial necessity.

Jointness and Force Shape

In re-shaping the NZDF, the Government stresses the importance of the principle of jointness, and in agreement with the DB2K Report, it appears to perceive jointness as an alternative to the balanced force concept. The Government's attitude to jointness has been outlined on several occasions by Mark Burton, who has said that, "Jointness means that we maximise the effectiveness of the forces we have available and the operations in which they are involved".⁹⁷ Stressing its importance, Mark Burton has stated that, "jointness is one of the tools the Government intends to use as we reshape the Defence Force in line with our defence policy."⁹⁸ In emphasising its operational value, the Defence Minister has said that, "It is my view that Jointness should be the central principle for Defence Force operations."⁹⁹ This comment may be contrasted with the previous Defence Minister's assertion

that, "a joint approach is not considered appropriate for New Zealand circumstances."¹⁰⁰

The expected implications of the shift to jointness, as outlined by Mark Burton, are similar to the goals identified in the DB2K Report. According to the Minister,

We...have to stop thinking in terms of the single service contribution to meeting...challenges, in favour of what is the most effective Defence Force response

This is a significant shift. It will in some respects mean the Defence Force doing things in a different way, possibly with a different mix of equipment. We have seen the early results and benefits of this in East Timor. This is what jointness is all about.¹⁰¹

These comments are very similar to the DB2K Report's argument that the three services are "set up to fight three different wars", and that they should instead be set up to work together.¹⁰² Also matching the DB2K example, the Government has suggested that increased jointness offers the possibility of conducting "a uniquely New Zealand operation" within the region (meaning the South Pacific).¹⁰³

The Government has applied the principle of jointness to the NZDF's operational command structure. On 1 July 2001, a new, permanent Joint Force Operational Headquarters became operational at Trentham Army Camp.¹⁰⁴ As the DB2K Report recommends, the new Headquarters replaces the existing single service commands and places the capabilities of the three services at the disposal of a joint force commander at the two star level. Also in keeping with the DB2K Report's recommendations, the Government intends to make changes to command structures at the strategic level. According to the statement of 8 May 2001, "The headquarters of the Defence Force and the three single services are being reorganised and rationalised to reflect a better joint approach to planning and managing the NZDF."¹⁰⁵ Further, the Government intends to review the outputs it purchases from defence to better reflect the new joint model.¹⁰⁶ While it has adopted the recommended command arrangements, the Government has not - so far - adopted the

recommendations to apply the joint model to the training of personnel; NZDF basic recruit training has not been centralised in Burnham and Waiouru, and a new joint staff college has not yet been established.

However, the most significant feature of the shift to jointness is that the Government regards jointness as an alternative to the balanced force. According to Mark Burton, "for small countries like New Zealand facing the increasing costs and complexities of maintaining all the capabilities required by more traditional defence structures, jointness offers a valuable alternative."¹⁰⁷ The Government's stated choice of structure resembles the DB2K Report's proposal for "credibly equipped and trained land force elements with organically integrated air and naval support." Mark Burton has said that, "Our core requirement is for well-equipped, combat trained land forces, which are also able to act as effective peacekeepers, working in concert with appropriate air and naval support."¹⁰⁸ As will become clear, the Government and the DB2K Report differ on what exactly "appropriate air and naval support" means. Nonetheless, it is clear that the Government's basic force structure rationale is in line with the new direction proposed in the Report.

Most importantly, the Government and the DB2K Report argue that structuring the Defence Force so there is an equal combat emphasis in each Service is unwise and will reduce the ability of the Defence Force to keep up with developments in military technology. The *Framework* states that,

It is essential that the NZDF keep abreast of technological and other changes in military operations, the so called Revolution in Military Affairs (RMA), in order to retain operational effectiveness. The costs these developments pose are a considerable challenge for small countries like New Zealand. The Government believes that a programme of progressively introducing new technology can help meet this challenge, but consideration will also need to be given to retaining a lesser range of capabilities.¹⁰⁹

This comment echoes the DB2K Report's attitudes that for the NZDF to keep abreast with the RMA will mean that capabilities may need to be cut in some areas in order to maintain strength in others. The *Framework* also closely paraphrases the DB2K Report when it notes that, "Priority will be given to

investing in force elements which are trained, equipped and maintained at appropriate levels of combat viability and readiness."¹¹⁰ Following this, and also closely paraphrasing the Report, the *Framework* notes that, "This will mean a shift towards a range of military capabilities which are sustainable, safe and effective in combat and in peacekeeping, and structured for maximum operational and political impact."¹¹¹ The use of the phrase "This will mean a shift" is significant because it suggests an agreement with the DB2K Report that the existing force structure does not match these requirements.

Rationale for Capability selection

In agreement with the DB2K Report, the Government has argued that military capabilities should be chosen according to what are perceived to be the NZDF's most likely roles. Echoing the Report's terminology, the Government's Defence Statement of 8 May 2001 noted that, "Future investments will be targeted at those capabilities which have the highest utility and deliver the best value for money."¹¹²

The capabilities preferred by the Government seem to be the ones that the NZDF relies on most to perform its peacekeeping functions. In making force structure choices, Mark Burton has said that,

To help us establish priorities, we have had to ask ourselves the following sorts of questions: what equipment do we need to replace urgently and what equipment is most likely to be needed in terms of the sort of operations the Defence Force is most likely to be involved in? We have therefore looked, for instance, at the places where our Defence Force has been deployed in recent years (places such as Bosnia, Bougainville and East Timor) and the type of operations they are likely to be involved in (mainly United Nations or regional peace support operations).¹¹³

This statement suggests that the ability to perform peace support roles is a key determinant of force structure choices. The *Framework* also notes that the NZDF is to be "Equipped and trained for combat and peacekeeping."¹¹⁴ This comment reflects both the importance assigned to peace support in the DB2K

Report and the Report's insistence that peace support forces still require conventional training. This was further stressed when the Prime Minister asserted that, "we will continue to train for combat capability, knowing that those skills are basic for any Army deployment."¹¹⁵

Military Capabilities: Land Combat Forces, Air and Sea Logistic Forces, Frigate Upgrades, and Surveillance Aircraft.

The analysis of the Government's broad approach to force structure matches the philosophy of the DB2K Report. However, a detailed examination of the Government's capability choices suggests that the Government has taken the Report's philosophy further than the Report intended.

The Government's major force structure statement of May 2001 notes that the Army will be "modernised".¹¹⁶ In structuring the Army, the Government has chosen to retain the existing brigade framework and the two battalions of regular force light infantry.¹¹⁷ Attached to each battalion, as the DB2K Report recommends, will be a reconnaissance company.¹¹⁸ To equip these forces, the Government has commenced (or approved the continuation of) a significant procurement programme.

Announced in August 2000, the major component of the Army's re-equipment is the purchase of 105 LAV III armoured vehicles for a cost of \$611.764 million.¹¹⁹ The LAVs, which are to be delivered from 2002 to 2004, will be sufficient to provide protected mobility for two battalions. The size of this purchase is significantly greater than that proposed by the Report, which recommends that strength should be built up incrementally in order to avoid block obsolescence and to spread limited resources evenly. Considerable controversy has surrounded the purchase of the LAVs.¹²⁰ Particularly controversial has been the number purchased. The DB2K Report recommends that sufficient armoured vehicles be purchased to deploy at least one battalion and that the acquisition programme be gradual to avoid block obsolescence. However, the Government has stated that the 105 LAVs it is purchasing are sufficient to carry two battalions and the vehicles are being bought in a single purchase.¹²¹ Derek Quigley has been amongst those who

have criticised the size of the purchase and the decision to make a single large purchase.¹²²

Also announced in August 2000 was the purchase of 1 853 radios (some of which are destined for the Air Force) at a cost of \$124.675 million.¹²³ Further purchases for the Army were announced on 8 May 2001, including new light operational vehicles at a cost of \$60 to \$110 million.¹²⁴ "Other investment requirements" were listed as close-in fire support, vehicles and sensors to equip the reconnaissance companies, command and control equipment, and combat service support equipment.¹²⁵ "Other capability issues" for the medium term were listed as engineer support, artillery, air defence and electronic warfare.¹²⁶ These upgrades to the Army's capabilities were also proposed by *The Shape of New Zealand's Defence*.¹²⁷

The Government has also declared its intention to either replace or upgrade several of the RNZAF aircraft fleets: the Iroquois utility helicopters, the Hercules, and the 727s.¹²⁸ In conjunction with the land force upgrades, the decision to upgrade these aircraft fleets suggests agreement with the DB2K Report on the most urgent capability priorities.

However, despite this agreement, there are important differences between the Report's recommendations and the Government's policies on what kind of vessel should be acquired to replace HMNZS Canterbury, and the Charles Upham. According to the DB2K Report, the new platforms should be two logistics vessels that could perform a wide range of roles including tactical and strategic sealift and maritime surveillance. The Government's position is somewhat more complicated than this. In the announcements of May 2001, the Government is careful to note the difference between strategic and tactical sealift (a distinction not clearly made in the DB2K Report). Regarding strategic sealift, the Government notes that the need for this capability is "sporadic"¹²⁹ and that chartered vessels can perform this role adequately, as was the case for the deployments to Bosnia and East Timor.¹³⁰ Moreover, the May announcements note that, due to their slow speed, poor manoeuvrability, and inability to operate in the Southern Ocean or the Ross Sea, sealift vessels are of little use for non-sealift roles¹³¹ Given

these factors, it is concluded that, “the acquisition of a dedicated sealift ship is not considered a wise investment.”¹³² Thus, the Government has ruled out the option of maintaining a strategic sealift capability.

Further, it is not clear how interested the Government is in tactical sealift either. While it acknowledges the need to acquire a multi-role vessel to replace the Canterbury, there is no certainty of that vessel having tactical sealift capabilities. The May 2001 announcement states that,

- The requirement for a limited tactical sealift will be considered as part of a review of the composition of our maritime surface fleet.¹³³

The commitment to tactical sealift appears to be lukewarm, and it seems likely that the Government’s enthusiasm for any variety of sealift has waned since coming to power. Twelve months before the May 2001 announcements, the Prime Minister identified the provision of sealift for the Army as one of the “most pressing issues” in defence.¹³⁴ Similarly, the *Framework* noted in June 2000 that,

- Being able to bring forces to bear when and where they are most needed is dependent on deployability. This is of particular concern to New Zealand. To be able to deploy and sustain our forces, particularly over large distances, requires a flexible and adaptable mix of air and sealift capabilities.¹³⁵

This comment closely resembles the DB2K Report’s sentiments. However, the subsequent rejection of maintaining a strategic sealift capacity and the intention to consider only a “limited” tactical capacity suggest that interest has declined. The Government’s position is significantly different to that of the Report, which regards a strong sealift capacity as integral to the NZDF’s joint force capability. However, as the May 2001 statement notes, the final configuration of the RNZN’s surface fleet is to be decided after Government consideration of a review which was due for completion in September 2001.¹³⁶ Thus, any conclusions about the future of the Navy’s composition, including the multi-role vessel which may or may not possess a limited tactical sealift capacity, are tentative.

In another point of difference, the Government has shown no interest in the third priority listed by the DB2K Report: progressive upgrades for the ANZAC frigates. The Report had regarded these upgrades as necessary to give the RNZN the capacity to escort sea-borne deployments of New Zealand forces in hostile waters.¹³⁷ Moreover, the Report argued that whatever capabilities the NZDF retained should be of a high quality: if New Zealand is to have frigates, then they should be equipped to the same standards as Australian frigates.

Nor does the Government believe that the RNZAF's Orion surveillance aircraft require a sub-surface surveillance capability. This was demonstrated by the choice to cancel the planned Sirius upgrade, which included this capability. The Government has argued that New Zealand does not need the ability to detect submarines¹³⁸ and that \$550 million¹³⁹ and is too much to spend on a capability which it says has not been adequately assessed.¹⁴⁰ The requirement for a sub-surface surveillance capability became the subject of a public debate in March 2001.¹⁴¹ The debate revolved around whether the Orions had detected any submarines in New Zealand's area of interest. The Prime Minister (who defined 'our area of interest' as the South Pacific) contended that this was not the case and that the sub-surface surveillance capability was therefore of no value.¹⁴² Instead of Sirius, the Government has chosen to provide the Orions with a limited upgrade that, wherever possible, uses "good quality commercial systems" and does not provide a submarine detection capacity.¹⁴³

The Government's decision not to include a sub-surface surveillance component in the Orions or to undertake frigate upgrades seems to disregard an important aspect of the DB2K Report. The Report recommended that the capabilities which can be expected to be deployed most often should be equipped for medium level combat. It listed these capabilities by priority, with frigate upgrades and surveillance aircraft ranked third and fourth respectively. In contrast, the Government's list is shorter; it has chosen to upgrade only the capabilities which are most closely associated with peacekeeping.

Military Capabilities: Air and Naval Combat Forces

The May 2001 statement notes that the Navy will be reorganised into “a practical Navy fleet with vessels better matched to New Zealand’s security interests and needs.”¹⁴⁴ The Labour-Alliance Government’s perceptions of what is ‘practical’ and what ‘matches New Zealand’s security interests and needs’ mark very significant change for the roles and composition of the RNZN. Under the Labour-Alliance Government the key roles for the Navy include policing the EEZ and supporting South Pacific neighbours. There is no mention of a need to maintain one ship in a distant water location for twelve months.¹⁴⁵ The Labour-Alliance Government’s policy (which matches the DB2K recommendations) is a very different policy from the 1990s approach, which emphasised the role of providing a combat vessel to an allied force for up to twelve months anywhere in the world.

The changed role of the Navy is reflected in the decision to hold the naval combat force at two frigates, to purchase some (new) patrol vessels, and to replace the frigate Canterbury with the multi-purpose vessel already described. The decision to hold the combat fleet at two frigates is consistent with the DB2K Report’s recommendations, although ironically Helen Clark has said (before the election) that this is the only part of the Report she disagrees with – she would prefer no frigates.¹⁴⁶

To assess New Zealand’s maritime surveillance needs, the Government conducted a “zero-based review”, which concluded that there was a need for much greater surface and air based maritime surveillance.¹⁴⁷ The review also concluded that frigates are not appropriate vessels for this role, but a multi-role vessel (already described) would be,¹⁴⁸ as would “medium range patrol vessels”.¹⁴⁹ These suggestions are consistent with the DB2K Report’s recommendations, which emphasise the importance of maritime surveillance of New Zealand waters.¹⁵⁰

The Government’s announcements of May 2001 declare that the Air Force is to be “refocused and updated”.¹⁵¹ The most striking aspect of this ‘refocusing and updating’ is the disestablishment of the air combat force. In

explaining this decision, the Government has echoed many of the arguments within the DB2K Report that oppose retention of the capability. For example, the Government has argued that the air combat force has never been used in combat and is never likely to be,¹⁵² and that merely earning credibility with friends and partners is insufficient reason for maintaining the capability.¹⁵³ Echoing the DB2K Report's display versus utility argument, the Government has stated that,

While it is acknowledged that the air combat force may have played a useful role in confidence building in the Asia-Pacific region, that in itself is not considered a sufficient reason to justify the outlays required to maintain the capability.¹⁵⁴

Excessive cost, more than any other factor, has been the major argument used by the Government to justify the disestablishment of the jet strike force. Mark Burton, paraphrasing the Report, has said that,

Bringing the air strike replacement forward from the low ranking it has had in the Defence Force's re-equipment priorities would have had inevitable consequences for other things which must be done to improve the capability of the Defence Force.¹⁵⁵

Finally, demonstrating the Government's rationale for defence spending, Helen Clark has said that,

We would be silly not to look at the Skyhawks absorbing 10 percent of the defence budget and ask, do they contribute 10 percent of the Defence Force and the answer is no. Essentially [they are] the display arm of the force.¹⁵⁶

However, while similar arguments are present in the DB2K Report, the Report does not reach the conclusion that the Government has; the weight of evidence suggests that the Report favours retaining a limited jet fighter capability that could be built up if the need arose. This option was presented to the Government both in the DB2K Report and in Derek Quigley's March 2000 report into the lease-to-buy F-16 deal.¹⁵⁷ In both cases, the Government rejected this compromise option. However, while the Government's decision conflicts with the thrust of the Report, the decision does reflect a prominent

perspective in the Report, and disbandment was one of the three recommended alternatives.

Nor has the Government declared any interest in acquiring attack helicopters, the DB2K Report's proposed alternative to close-air-support provided by combat jets. According to the Report, if the helicopters were "organically integrated with land forces", they would be capable of providing more effective close-air-support than jet aircraft.¹⁵⁸ Thus, the Government's choice to both eliminate the jet strike capability and not to pursue the helicopter replacement option suggests a further disagreement with the DB2K Report. However, the Government has said that it will consider the option of arming the Orions with harpoon missiles.¹⁵⁹ This suggestion is proposed by the DB2K Report as a potential replacement for the maritime strike capability formerly provided by the jet strike force (A-4K Skyhawks).

Having concluded that the air combat force will be disestablished, the Prime Minister and Defence Minister noted that the Air Force's "key roles will be in maritime patrol and air transport."¹⁶⁰ These are both roles that the DB2K Report firmly endorses. To supplement the Orions' maritime surveillance role, the Government is considering the option of operating patrol aircraft for short and medium range missions. This may also become an RNZAF task.¹⁶¹

Questions of Credibility

The Government has received considerable criticism from those who believe that a focus on the contingencies which are most likely to arise in the short to medium term is both an unacceptable risk and lacks credibility to friends and partners. This argument is made in a 'Green Paper' written by seven former defence chiefs and entitled *New Zealand Defence Airing the Issues*. The Green Paper notes that,

Over the years though it [New Zealand] has successfully maintained a range of combat capabilities at a modest but credible level. The aim has been to give the Government options from which to choose in responding to a particular set of circumstances. To do otherwise is to bet on the nature of the next crisis and betting on the future is not a good thing for your country's interests when the costs in human lives are so high.¹⁶²

At the same the time the argument is made that retaining such a range of capabilities is an essential source of credibility because it demonstrates a commitment to sharing with friends and partners the burden of maintaining security.¹⁶³

However, in agreement with the DB2K Report, the Government argues that the credibility of New Zealand's defence effort does not hinge on maintaining specific items of equipment or the ability to respond to high level contingencies. Mark Burton has stated that, "I don't agree that our relationship over time with Australia and the United States can be assumed to rest on any single acquisition decision. I don't see any evidence of that."¹⁶⁴

Part of the Government's attitude to credibility may rest on its perception of the nature of the strategic environment, now and in the future. Established defence policy argued that retaining a spread of higher level capabilities (such as four frigates and a jet fighter wing) was a wise means of ensuring a helpful response from friends and partners in the event of a serious strategic threat developing.¹⁶⁵ Since the future was regarded as essentially unknowable, the emergence of such strategic threats could not be ruled out.¹⁶⁶ However, neither the Labour-Alliance Government nor the DB2K Report demonstrate much concern for uncertainty or the possibility of threatening strategic changes, so there is much less concern for ensuring a helpful response from friends and partners. Consequently, there is one less reason for retaining a spread of higher level capabilities.

Moreover, the Government frequently argues that since New Zealand has never been required to "to provide an independent force made up of comprehensive land, air and sea capabilities" there is no need for New Zealand to maintain such a spread of capabilities.¹⁶⁷ The corollary is that New Zealand has always participated alongside more comprehensively equipped partners and that this will continue.¹⁶⁸ Both the DB2K Report and the Government argue that in the event that capabilities such as jet fighters are required, friends and partners can supply these.

Conclusion

The Government's capability decisions appear to be underpinned by a similar philosophy to that which guides the DB2K Report. In agreement with the Report, the Government sees the balanced force model of the 1990s as unaffordable and unnecessary. Both argue that this approach to force structure is responsible for an overall decline in the capacity of the Defence Force. Both also argue that in the face of block obsolescence, the future of the NZDF lies in identifying and prioritising the capabilities that offer the most utility in the short term. Utility is defined in practical terms; it means performing tasks rather than providing insurance or achieving indirect goals. Peacekeeping, operations in the South Pacific, and surveillance of New Zealand's Exclusive Economic Zone appear to be the tasks that are used to guide force structure decisions.

The agreement between the DB2K Report and the Government on the capabilities that are required for these tasks is considerable, though it is not complete. The Government's decisions to upgrade the NZDF's land forces, and Helicopter and Hercules aircraft fleets reflect the top force development priorities selected by the DB2K Report. Also reflecting the Report's recommendations is the decision to rationalise the command arrangements of the NZDF into a joint structure. Further changes are also planned at the strategic level of command that may also reflect the Report's suggestions.

However, the decision to merely investigate a "limited tactical sealift capability" marks a significant departure from the Report's prescription, and perhaps also a turnaround in Government policy. The need for sealift is a point on which the 1990s policy and the DB2K Report agree, but not the Labour-Alliance Government.

Marking another significant disagreement with the DB2K Report, the Government does not appear interested in providing progressive upgrades to the two ANZAC frigates or providing the Orions with an upgrade that includes a sub-surface surveillance component. These upgrades were identified by the Report as its third and fourth force structure development priorities. It seems that these are enhancements that the Government does not

regard as necessary for the tasks that the NZDF is most likely to undertake. By contrast, the Government is considering equipping the Orions with Harpoon anti-ship missiles to deter or attack vessels infringing on New Zealand's exclusive economic zone. This is seen to be perceived as a more likely task.

Further down the DB2K Report's list of priorities were frigates and jet fighters. According to the Report, two ANZACs are sufficient for present requirements, and an adequate base to build on if necessary. The Government's decision to hold the naval combat fleet at two ANZAC frigates and to replace the Canterbury with a multi-role vessel reflects the Report's recommendations, although the Government is probably less concerned with retaining the ability to build up the force. The reduction to a two frigate fleet is a significant shift from the 1990s policy, which regarded a fleet of at least three frigates as essential to the insurance and foreign policy aspects of defence.

The DB2K Report demonstrated considerable sympathy with the idea of rationalising and upgrading the RNZAF's jet fighter fleet. However, the Government has not taken this option. Instead, it has chosen to disband the capability entirely. Although this was one of the options presented by the Report, its overall thrust seems to be that 'low utility' capabilities should be placed low on the list of force development priorities, rather than off the list completely. According to the Report, "there is merit in maintaining the capacity to broaden the range of defence capabilities should strategic circumstances deteriorate."¹⁶⁹

The combination of upgrading land force and air transport capabilities and downsizing the frigate fleet while disbanding the jet fighter squadrons, and providing only a limited upgrade to the Orions and no upgrade to the frigates suggests that the Government has taken the Report's philosophy of prioritisation further than the Report recommended. The DB2K recommendations involved the rationalisation of some capabilities combined with upgrades across the NZDF. These recommendations proposed a significant shift from the policy of the 1990s, which considered the existing

force structure to be a credible minimum - further downsizing was judged to be unacceptable. Nonetheless, the DB2K model allowed for rebuilding. In contrast, the Labour-Alliance Government's policies do not include upgrades across the NZDF nor (in the case of fighter jets) do they allow for reasonably rapid rebuilding. The Government appears to have taken the top priorities identified by the Report as a final force structure. This has involved a much more significant change to force structure than the Report recommended.

Endnotes for Chapter Three (pages 75-105)

¹ DONZ 1991, p.12

² SONZD 1997, pp.5-6.

³ Stewart Woodman, pp.2-6; Grant Crowley, pp.10-15.

⁴ *1996 Defence Assessment*, pp.1,23.

⁵ *ibid.* p.ix.

⁶ DONZ, 1991, p.40.

⁷ *Inquiry into Defence Beyond 2000*, p.71.

⁸ *ibid.* p.61

⁹ *ibid.* p.64.

¹⁰ *What National did for Defence in July 1999*.
Retrieved from 5 December 2001 from the World Wide Web:
www.defence.org.nz/principles.htm

¹¹ *Inquiry into Defence Beyond 2000*, p.38.

¹² *ibid.* p.69.

¹³ *ibid.* p.69.

¹⁴ *ibid.* p.68.

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Conclusion

Under the Labour-Alliance Government there has been extensive change to the function of defence policy and the focus of the New Zealand Defence Force. There has also been particularly extensive change to the force structure of the NZDF. This transformation is consistent with the thrust of the Foreign Affairs, Defence, and Trade Select Committee's DB2K Report.

The Labour-Alliance Government's perceptions of New Zealand's interests appear to be much the same as the perceptions held during the 1990s. Helen Clark has said that under her leadership, "there have been changes of emphasis, of priority, and of style" rather than "quite significant shifts in foreign policy."¹ This is consistent with the DB2K Report, which recommended no significant changes to the way New Zealand perceives its interests.

However, a considerable shift has occurred in the perception of what defence can or should contribute to these interests. At the heart of this shift is the variance in perceptions of the future of the strategic environment. Under the defence policy of the 1990s, there was considerable stress on future unpredictability and potential risks. Moreover, this perception of unpredictability and risk was closely tied to a view of defence as insurance against military threats to New Zealand's interests.

However, unlike the defence policy of the 1990s, the Labour-Alliance Government's policy does not stress uncertainty or future risk, nor does it see defence as a source of insurance. Instead, the Labour-Alliance Government sees a much safer present strategic environment, and rather than see the future as uncertain, the Government predicts continuity. These perceptions of the strategic environment seem to be guiding the Government's defence policies. This is an important difference, and critics of the Government's defence policy argue that without preparation for future risk, the central function of defence is not being met. This criticism was also levelled at the DB2K Report for the same reasons.

Associated with the 1990s view of defence as insurance was the argument that the credibility of New Zealand's defence effort was influential in gaining trade access, an international voice, and military assistance should this need arise. The key to remaining credible, it was argued, was to retain the higher level capabilities (perceived to be) most valued by friends and partners and to appear willing to use those capabilities in support of friends and partners. In other words, retention of high level (insurance) capabilities against an uncertain future was linked to desirable foreign policy outcomes.

However, while good trade access and an international voice are important to the Labour-Alliance Government, defence in the form of insurance is not seen as a significant contributor to these goals. Instead, other instruments of state are regarded as more useful contributors. This may be the intent of the Government's policy of "comprehensive security", which has an analogue in the DB2K Report's "security is more than defence."

Not surprisingly, the Government does not see earning military assistance as an important aspect of defence policy. Given its perceptions of the future of the strategic environment, the Government probably sees no need for defence policy to be partially designed to earn a military response from friends and partners. Both the Government and the DB2K Report omit to mention 'earning military assistance' as a function of defence policy.

Nor is it surprising that the emphasis on credibility that was such a conspicuous element of defence partnerships during the 1990s receives so little emphasis under the Labour-Alliance Government. The Government has affirmed that Australia is New Zealand's most important defence partner, but there is no emphasis on the need for New Zealand's defence effort to be credible to Australia either for defence reasons or for wider relationship reasons. Moreover, the rejection of the strategic entity label indicates a desire to set a course that is more independent of Australian interests, at least in the area of defence. This approach to the ANZAC alliance closely mirrors the Report's recommendations.

Significantly, the Government's core statement on defence (the *Defence Policy Framework*) does not mention the importance of the United States as a

(potential) defence partner. This is in marked contrast to the major policy statements of the 1990s, which sought to rebuild defence relations with the United States partly by convincing that country of the seriousness (or credibility) of New Zealand's defence effort.

There has also been change in the geographic focus of New Zealand's defence effort. Where the 1996 *Defence Assessment* asserted that, "East Asia has become our strategic focus", Prime Minister Helen Clark asserts that the South Pacific is "where our area of interest is".² Under the 1990s policies, East Asia was the central pillar in a triad of geographic interests, which also included the South Pacific and 'the rest of the world'. The focus on East Asia during the 1990s resulted from the beliefs that defence was an important contributor to New Zealand's trading interests in the region, and that operations performed in other regions could draw on capabilities chosen for their suitability for operations in East Asia.

The Labour-Alliance Government's choice to focus New Zealand's defence effort on the South Pacific (and 'the rest of the world') probably stems from the same perceptions noted in the DB2K Report, such as the limited effectiveness of defence as a contributor to New Zealand's trading interests, and an aversion to seeing the NZDF play a combat role in Asia.

In agreement with the DB2K Report, the Government sees the NZDF primarily performing peacekeeping and other lower level activities that are expected to be required in the short term. This reflects the Government's perceptions of the future of the strategic environment (benign), its beliefs about the value of credibility to friends and partners (limited), and its argument that funding defence for anything other than the missions that it is most likely to perform is unaffordable. In all of these judgements, the Government's position mirrors central elements of the DB2K Report.

As the DB2K Report recommended, the peacekeeping focus is marked by a shift to a range of capabilities that is expected to be most useful for the lower level activities that are expected to be required in the short term. Part of these changes is the shift to a joint force structure. As the DB2K Report suggested, the Government regards the joint structure as an alternative to the

1990s policy of balance, which emphasised an equal combat emphasis on each Service and the ability to respond to a wide range of contingencies.

Most notably, the Government has approved a significant upgrade of the New Zealand Army (consistent with the *Shape of New Zealand's Defence*), and airlift capabilities while downsizing the naval combat force to two frigates.

However, there are some important differences between the Report's force structure recommendations and the Government's force structure decisions. Despite initial enthusiasm, the Government has not acquired for the RNZN multi-purpose logistics vessels. The intended replacement for HMNZS Canterbury may possess some tactical sealift capacity, but this is unlikely to fulfil the requirements set out by the Report, which heavily stressed the importance of a sealift capacity (to enhance Army deployability in particular). The calls to upgrade one ANZAC frigate to Australian standards and to retain an airborne anti-submarine warfare (ASW) capability also seem to have gone unheeded. These are significant differences. The recommendation to acquire at least one (and preferably two) sealift vessels was a core recommendation. Moreover, the proposed airborne ASW and frigate upgrades constituted the Report's third and fourth priorities respectively.

The Government's decision to disband the RNZAF's jet fighter squadrons also seems at variance with the thrust of the Report. While the Report seemed hard-pressed to find a place for jet fighters in its proposed force structure, it nonetheless resisted a clear recommendation to disband the force, and the balance of evidence suggests that the Report supported retention of a limited capability below the credible minimum proposed by the *Defence Assessment*. This is most clearly suggested by Quigley's statements that while fighter jets were low on the Report's list of priorities, they remained on the list. This approach was also proposed by Quigley in his report on the F-16 lease-to-buy deal.

In effect then, the Government seems to have taken the top priorities listed by the Report as constituting a final force structure and it has dismissed

completely the capabilities that the Report regarded as low priorities. Thus, the Government has taken the rationale of concentrating on present utility rather than longer term insurance further than the Report recommended. The clear exception to this conclusion is sealift. While the Report considered sealift a high priority, the extent of the Government's interest in this capability appears limited.

Taken as a whole, however, there is substantial correspondence between the Report's recommendations and the Government's policies. The Government and the DB2K Report are in essential agreement over New Zealand's interests, the nature of the strategic environment (present and future), the purpose and place of defence, the appropriate nature of New Zealand's defence relationships, the geographic emphasis of defence, and the operations that the NZDF should be performing. The differences in force structure, while real, do not detract from the overall agreement that capabilities must be selected according to the roles that the NZDF is expected to perform most frequently. The Government is therefore justified in claiming that the DB2K Report is its blueprint for defence.

This signifies that the Report is a document of central importance in New Zealand defence policy: it is the bridge between the last major defence policy statement of the 1990s (SONZD 1997) and the Labour-Alliance Government's first major statement on defence policy (GDPF 2000). The DB2K Report was released at a pivotal moment in New Zealand's defence history, as a National Government was poised to undertake an extensive force development programme to equip the NZDF in line with DONZ 1991 and SONZD 1997. The DB2K Report proposed a significantly different approach to defence policy and force development. This approach foreshadowed the defence policies of the Labour-Alliance Government.

However, questions remain to be answered. Referring in 1998 to the *Interim Report*, *The Press* suggested that, "The Defence Review 2000, released yesterday, is an important document. In fact, it might prove to be the most decisive influence on the nation's defence policy since the scrapping of Anzus."³ While it may be concluded that defence policy has been shifted

broadly to match the final Report's recommendations, this does not necessarily mean that the Report was the influential factor, as *The Press* predicted. It may be that the Government was influenced by factors other than the Report's arguments and recommendations. More importantly, the long term implications of the changes for New Zealand's security remain to be assessed. With the benefit of hindsight, these questions might well constitute the subject of future research.

Endnotes for Conclusion (pages 115-120)

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