STRATEGIC DEFENCE POLICY STATEMENT 2018

New Zealand Government

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MINISTER OF DEFENCE FOREWORD

I am proud of the New Zealand Defence Force and I am continually impressed by the professionalism, skill and dedication of the people who serve in it. They are part of an organisation that, every hour of every day, 365 days a year, contributes to the defence, security and wellbeing of New Zealand.

I am therefore pleased, early in this Parliamentary term, to be able to introduce in the *Strategic Defence Policy Statement 2018* updated policy settings that explicitly recognise for the first time the full spectrum of the value Defence delivers to New Zealanders.

This Statement aligns Defence policy with the Coalition Government's national security and foreign policy priorities in the context of New Zealand's evolving strategic environment. It reflects New Zealand's long-standing interests and deeply held values, and sets a strong foundation for the future.

The *Community, Nation and World* framework recognises the important role Defence plays, and will continue to play, in promoting the overall wellbeing and resilience of New Zealand, its communities and environment.

The Statement has at its core a set of principles to guide how Government makes decisions about Defence. These make clear our expectations, such as the Defence Force being combat capable, flexible and ready, that it must operate at high levels of public trust and confidence, and embody and promote New Zealand's values.

We have raised the priority placed on the Defence Force's ability to operate in the South Pacific to the same level as New Zealand's territory, the Southern Ocean and Antarctica. This change recognises the challenges facing Pacific Island states – such as managing the impacts of climate change – and the importance Government places on New Zealand's contributions as a Pacific nation to the security and wellbeing of our Pacific partners. The *Strategic Defence Policy Statement 2018* supports the Pacific Reset and reinforces the importance of New Zealand's partnership with our Pacific neighbours.

The primary operating area for the Defence Force stretches from the South Pole to the Equator, a vast and largely maritime zone that will place substantial demands on Defence Force personnel and capabilities to deliver across a range of tasks.

At the same time, Government expects the Defence Force to continue to work alongside partners in our neighbourhood and further afield to promote regional and global security, and to make credible contributions to strengthen the international rules-based order. This requires the Defence Force to maintain highly sophisticated capabilities that deliver for New Zealand, and that are valued by and interoperable with those key partners that share our values and interests.

In the context of an increasingly challenging strategic environment, the Government places high expectations on the Defence Force and its capabilities. Determining how best to shape the Defence Force's capabilities into the future will be the subject of the *Defence Capability Plan Review 2018*.

Hon Ron Mark
Minister of Defence

CHAPTER 1

Executive Summary

1. This *Strategic Defence Policy Statement 2018* sets out the Government's policy objectives for Defence, which includes both the New Zealand Defence Force and the Ministry of Defence. It provides the policy basis for further work to identify and define the Defence capabilities required to give effect to the Government's intentions.

2. This policy statement builds on a substantial body of existing work. This includes the *Defence White Paper 2016*, and the ongoing enhanced Defence Assessment programme directed by that White Paper that examines New Zealand's evolving strategic environment.

3. The Ministry of Defence has led the development of this policy statement in close consultation with the Defence Force. A broad range of other Government agencies have provided input and assurance.

Ensuring alignment with the Government's priorities and responding to New Zealand's strategic environment

4. The *Strategic Defence Policy Statement 2018* explicitly recognises the important role Defence plays in promoting the overall wellbeing and resilience of New Zealand, its communities and environment. New Zealand Defence provides value to the **Community, Nation, and World**.

5. For the first time, this policy statement introduces a set of principles to describe the Government's fundamental and enduring expectations of the role Defence plays in promoting New Zealand's interests, and the manner in which Defence operates.

6. This policy statement sets out a more challenging and complex strategic environment – one in which the international rules-based order, the foundation for New Zealand's security and prosperity, is coming under increasing pressure from three broad forces.

7. Defence's priorities and the principal roles of the Defence Force have been updated to reflect the Government's policy priorities, new principles, New Zealand's evolving strategic environment, and a vision of Defence activities providing value to the Community, Nation, and World.

8. This statement affirms the priority the Government places on the Defence Force's ability to operate in New Zealand and its neighbourhood. It also affirms the importance of Defence's ability to contribute to supporting regional and global security and to maintaining the international rules-based order. Delivering on these priorities requires that the Defence Force continues to be able to operate effectively alongside a range of international partners, foremost New Zealand's traditional security partners and our ally Australia.

9. Detailed capability requirements to deliver on New Zealand's Defence policy settings will be developed in the context of the *Defence Capability Plan Review 2018*. Capability is considered holistically and includes people, research and development, infrastructure, systems and technologies, equipment, platforms, and logistics.

New Zealand Defence provides value to the Community, Nation, and World.

Defence outcomes: Delivering value to the Community, Nation and World

10. New Zealand's national security objectives and the fundamental principles underpinning Government's expectations of Defence require that Defence supports New Zealand's security, resilience and wellbeing across a broad range of activities. In particular, Defence:

COMMUNITY	10.1. Supports New Zealand's community and environmental wellbeing and resilience.
NATION	10.2. Promotes a safe, secure, and resilient New Zealand, including on its borders and approaches. Contributes to maintaining New Zealand's prosperity via secure air, sea and electronic lines of communication, and secure access to space-based services.
WORLD	10.3. Contributes to the maintenance of the international rules-based order. Contributes to New Zealand's network of strong international relationships.

We will face compounding challenges of a scope and magnitude not previously seen in our neighbourhood.

New Zealand's strategic environment

11. New Zealand is navigating an increasingly complex and dynamic international security environment. We will face compounding challenges of a scope and magnitude not previously seen in our neighbourhood. While there may be noteworthy effects on New Zealand's interests from singular developments, New Zealand's security outlook may be shaped most powerfully by a combination of forces increasing pressure on the international rules-based order, which will play out in newly potent ways close to home.
12. The three key forces, and their dynamic intersections, pressuring the order are:
    - 12.1. The increasing importance of **spheres of influence**, with some states pursuing greater influence in ways that, at times, challenge international norms
    - 12.2. **Challenges to open societies** and Western liberalism, driven by increasing disillusionment with existing arrangements within these societies, threaten to reduce the willingness of open liberal states to champion the rules-based order
    - 12.3. A collection of **complex disruptors**, including an array of impacts from climate change, new technologies changing the nature of conflict, extremist ideologies, and transnational organised crime. Many of these disruptors disproportionately affect open societies and weak states. They are forces for disorder

Implications for New Zealand's security

13. As the international-rules based order – the foundation of our security – comes under pressure, New Zealand will also face intensifying disruptors closer to home. Climate change, transnational organised crime, resource competition, together with increasing influence and presence of non-traditional partners, will disrupt our neighbourhood, including our extensive maritime area, in complex and compounding ways.
14. Supporting stability in the Asia-Pacific, from countering violent extremism in Southeast Asia to the de-nuclearisation of North Korea, will increase in importance. Groupings of like-minded nations are emerging to balance challenges to rules and norms, and to reinforce the rules-based order across the Asia-Pacific.
15. As challenges to the international rules-based order intensify – from our neighbourhood to the Asia-Pacific and further afield – it will remain in New Zealand's vital interest to act in support of this order. While the New Zealand Defence Force will conduct some missions on its own, most deployments will be undertaken alongside other Government agencies and international partners.
16. It is therefore critical for the Defence Force to maintain and develop capabilities that support effectively operating with others. This involves developing complementary capabilities as appropriate, ensuring mutual familiarity (developed through personnel exchanges and exercising), and the compatibility of communications and command and control systems. Interoperability is key to New Zealand's strong international reputation as a valued and credible defence partner and ally.
17. The domains of cyber and space bring both vulnerabilities and opportunities. Increased use of cyber and space capabilities could enhance Defence's operational effectiveness and efficiency, but the Defence Force will also need to be prepared to respond to increased threats manifesting in and through both space and cyberspace.
18. Defence will have to act in new ways and at new levels to protect New Zealand's values and interests.

Defence priorities

19. Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory, including its Exclusive Economic Zone, and neighbourhood from the South Pole to the Equator. The Defence Force must be prepared to operate independently, or lead combined operations, in these areas if required.
20. New Zealand's national security and interests also depend on events further afield. It is important that New Zealand can contribute Defence capabilities in support of Asia-Pacific regional security. Similarly, New Zealand must be able to commit resources worldwide to support the maintenance of the international rules-based order.
21. Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated operations. The Defence Force must be able to operate effectively with New Zealand's key security partners and ally Australia.
22. The Government will maintain a high level of discretion as to the size and nature of New Zealand's contributions to such operations outside New Zealand's immediate neighbourhood. Decisions on such operations will include New Zealand's national security interests, New Zealand's international relationships, and the threats associated with any deployment.

Defence will have to act in new ways and at new levels to protect New Zealand's values and interests.

Principal roles of the Defence Force

23. The principal roles of the Defence Force are to:
    - 23.1. Defend New Zealand's sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication
    - 23.2. Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives
    - 23.3. Meet New Zealand's commitments to its allies and partners
    - 23.4. Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean
    - 23.5. Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience
    - 23.6. Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements
    - 23.7. Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order
    - 23.8. Contribute to advancing New Zealand's international relationships
    - 23.9. Work with other agencies to monitor and understand New Zealand's strategic environment
    - 23.10. Be prepared to respond to sudden shifts in the strategic environment
24. Together, the Defence priorities and principal roles describe Government expectations for the Defence Force's ability to operate. The Government's decisions about where to deploy the Defence Force and types of missions to be undertaken within these priorities and roles will be determined in practice by local, national, and global events.

In coming years the Defence Force will very likely be called upon to undertake an increasing number of operations in New Zealand's neighbourhood.

Defence Force capabilities

25. Detailed capability requirements to satisfy the *Strategic Defence Policy Statement 2018* and the financial implications will be developed in the context of the *Defence Capability Plan Review 2018*, to be undertaken in the second half of 2018. *The Strategic Defence Policy Statement 2018* identifies the challenges that will need to be addressed in that capability review, and sets out some particular capability elements that the review should examine.
26. In coming years the Defence Force will very likely be called upon to undertake an increasing number of operations in New Zealand's neighbourhood to respond to emergencies and instability, and protect and promote New Zealand's national security and foreign policy interests. This will present a capacity challenge, including in terms of concurrency and sustainment.
27. At the same time, maintaining interoperability with New Zealand's security partners and operational effectiveness in increasingly complex threat environments will present a capability sophistication challenge.
28. A number of the Defence Force's major platforms are at or approaching the end of their operational life. Managing the introduction of replacement capabilities is, and will continue to be, a major Defence focus in coming years.
29. The *Strategic Defence Policy Statement 2018* identifies three capability areas that will require attention:
    - 29.1. Maritime domain awareness and response, particularly in New Zealand's neighbourhood but also further afield
    - 29.2. A Defence contribution to New Zealand's secure access to space-based systems
    - 29.3. Enhanced Defence cyber capabilities to provide military commanders with a broader set of tools to achieve military objectives
30. To meet the Government's requirements, the Defence Force will continue to need a mix of capabilities with broad utility. In addition to delivering tasks in support of national resilience in New Zealand's territory and neighbourhood, the Defence Force will also need capabilities that enable it to remain relevant and make credible contributions to international efforts in support of peace and security.

CHAPTER 2

Defence's value to the Community, Nation, and World

31. The Government's expectations of Defence – both the New Zealand Defence Force and the Ministry of Defence – are strongly informed by New Zealand's enduring national security interests, policies, and the evolving strategic environment. These expectations are further underpinned by long-standing (but previously unstated) principles guiding Defence's focus and activities. Defence contributes to making New Zealand and New Zealanders more secure.

32. This chapter sets out New Zealand's national security interests and newly expressed principles that inform Government and public expectations of Defence. It frames Defence's value to New Zealand through the **Community, Nation, and World**.

New Zealand's national security

33. National security is the condition that permits New Zealand citizens to go about their daily business confidently, free from fear and able to make the most of opportunities to advance their way of life. The concept of national security is therefore a broad one, encompassing a range of activities that include protecting the state against military threats.

34. New Zealand has seven overarching national security objectives:

    34.1. **Ensuring public safety:** Providing for, and mitigating risks to, the safety of citizens and communities

    34.2. **Preserving sovereignty and territorial integrity:** Protecting the physical security of New Zealand citizens, and exercising control over its territory

    34.3. **Protecting lines of communication:** These are both physical and virtual, and allow New Zealand to communicate, trade, and engage globally

    34.4. **Strengthening international order to promote security:** Contributing to the international rules-based system, and engaging in targeted interventions offshore to protect New Zealand's interests

    34.5. **Sustaining economic prosperity:** Maintaining and advancing the economic wellbeing of New Zealand individuals, families, businesses, and communities

    34.6. **Maintaining democratic institutions and national values:** Preventing activities aimed at undermining or overturning Government institutions, principles and values that underpin New Zealand society

    34.7. **Protecting the natural environment:** Contributing to the preservation and stewardship of New Zealand's natural and physical environment

35. In pursuit of these objectives, New Zealand takes an "all-hazards" approach to national security. It has a security system designed to bring Government agencies together to respond to all risks to national security, whether internal or external, human-driven or naturally occurring. These range from the challenges associated with natural disasters, resource exploitation, pandemics and other biosecurity events, through to evolving threats related to terrorism, space and cyberspace.

36. Defence works with and supports a wide range of Government agencies to protect and advance all seven of these security objectives, and as part of the governance arrangements that coordinate and manage any Government response.

37. Defence takes a leading role in advancing some of these objectives and plays more of a supporting role in others. In many respects, Defence is responsible for contributing to the maintenance of the domestic and international environment in which these objectives can be protected and advanced.

Defence contributes to making New Zealand and New Zealanders more secure.

Principles underpinning New Zealand's Defence policy

38. Successive Governments' fundamental expectations of Defence have been largely consistent in recent decades, and the shape of these expectations was strongly supported in the content of public submissions received in the development of the D*efence White Paper 2010* and the *Defence White Paper 2016*. These fundamental expectations can be described through the following high-level principles.

    38.1. **Defence is combat capable, flexible and ready:** The core purpose of the Defence Force is to deliver military effects. Combat capabilities are of fundamental importance. The Defence Force forms a core component of New Zealand's broader national resilience, typically operating alongside and in support of other agencies. The Defence Force's capabilities enable it to deliver a broad range of activities that support New Zealand's overall wellbeing.

    38.2. **Defence personnel are highly trained professionals:** Whether in regular force, reserve or civilian roles, Defence personnel are professionally trained, with the skills to succeed.

    38.3. **Defence has the resources to meet the Government's operational and strategic priorities:** The Defence Force is equipped and resourced to meet the operational requirements placed on it by the Government, and Defence is positioned to respond to the changing strategic environment.

    38.4. **Defence operates in ways that maintain public trust and confidence:** Defence Force activities are subject to civilian control, exercised through the Minister of Defence and the Cabinet more generally. Defence must be transparent and open with the New Zealand public.

    38.5. **Defence embodies and promotes New Zealand's values**: Domestically and offshore, Defence promotes New Zealand's enduring values. Defence also operates in accordance with these values. Internationally, Defence must be an agent of New Zealand's independent foreign policy, act to promote New Zealand as a good international citizen, and support the international rules-based order. Defence operates in accordance with both domestic and international law, including the Law of Armed Conflict and International Humanitarian Law.

    38.6. **Defence is a credible and trusted international partner:** In supporting New Zealand's interests, Defence makes valued, credible contributions to New Zealand's international security partnerships. This includes meeting New Zealand's commitment as an ally of Australia. The Defence Force adds value to international coalitions and other combined operations, and is interoperable with New Zealand's key security partners.

Defence outcomes: Delivering value to the Community, Nation, and World

39. In combination, New Zealand's national security objectives and the fundamental principles underpinning the Government's expectations of Defence require Defence to support New Zealand's security, resilience and wellbeing across a broad range of activities. Defence provides significant value to New Zealand's communities, the nation, and the world. Defence:

Defence Outcomes

COMMUNITY	39.1. Supports New Zealand's community and environmental wellbeing and resilience.
NATION	39.2. Promotes a safe, secure, and resilient New Zealand, including on its borders and approaches. Contributes to maintaining New Zealand's prosperity via secure air, sea and electronic lines of communication, and secure access to space-based services.
WORLD	39.3. Contributes to the maintenance of the international rules-based order. Contributes to New Zealand's network of strong international relationships.

Domestically and offshore, Defence promotes New Zealand's enduring values.

Community

Defence supports New Zealand's community and environmental wellbeing and resilience

40. New Zealanders value the long-standing relationship Defence has with our communities, both in terms of the services Defence delivers or supports, and in terms of the contribution Defence makes directly and indirectly as a part of New Zealand society.

41. The Defence Force supports community wellbeing and resilience by assisting in the delivery of a broad range of public services. As an agency of state that maintains disciplined forces and fleets of vehicles, ships and aircraft available at short notice, the Defence Force is a critical part of the whole-of-government response to a range of incidents. This includes the provision of capabilities to carry out domestic search and rescue, supporting civil defence emergency management and providing rural fire services. Recently, the Defence Force has contributed to responses to a range of incidents, including the Christchurch fires, the Kaikoura earthquake, ex-tropical cyclone Gita, the rupture of the fuel line between Marsden Point and Auckland, and flooding in the Manawatu and the Eastern Bay of Plenty.

42. The Defence Force plays an important role in supporting the protection of New Zealand's natural environment. This includes assisting the Ministry for Primary Industries to conduct regular fisheries patrols and, when called upon, to support biosecurity operations through the provision of personnel and logistics support. The Defence Force also assists the Department of Conservation by transporting personnel and equipment (notably to offshore islands), and contributes to national responses to instances of environmental harm, such as the grounding of the MV Rena. The Defence Force is also a steward for large areas of land throughout New Zealand.

43. More generally, Defence is a significant employer, skills trainer, and economic actor within New Zealand communities, across both metropolitan and regional areas. This economic activity directly and indirectly supports communities across New Zealand, and in some cases provides a central focus for those communities.

The Defence Force plays an important role in supporting the protection of New Zealand's natural environment.

44. In training and developing its staff to deliver Defence outcomes, the Defence Force provides education that will continue to contribute to New Zealand's communities even after those staff leave Defence. Former Defence personnel entering the private and public sectors bring valuable skills, character and resilience.

45. Defence leads programmes such as the New Zealand Cadet Forces and the Limited Service Volunteers in support of other Government agencies. Defence's contribution to youth development provides motivational training and valuable life skills to young New Zealanders, making a difference in their lives and our communities.

46. In supporting commemorations on days of national significance, from Waitangi Day to Anzac Day, the Defence Force fosters national pride and belonging, and reinforces our national values.

Nation

Defence promotes a safe, secure and resilient New Zealand, including at its border and approaches

47. It is a fundamental responsibility of the New Zealand Government to protect New Zealand's people, prosperity, territory, sovereignty and resources; uphold New Zealand's constitutional obligations to the Cook Islands, Niue and Tokelau; and maintain New Zealand's claim to territorial sovereignty in the Ross Dependency of Antarctica.

48. The Defence Force maintains a level of capability that allows it to detect, deter, and counter threats to New Zealand. It can enlarge its forces at short notice, and provide sufficient time for additional help to be sought from New Zealand's security partners, if called upon to execute this fundamental national security responsibility.

49. Domestically, when called upon, the Defence Force provides support to the New Zealand Police to respond to terrorism emergencies and other incidents of serious violent crime. Defence is the sole provider of explosive ordnance disposal services (including chemical, biological and radiological defence), and Navy dive teams assist in search, recovery and other tasks in support of Police and other agencies.

50. The Defence Force makes an important contribution in safeguarding New Zealand's borders and sovereign territory. It helps ensure that entry into New Zealand is by legitimate means only and that New Zealand's natural resources are protected. In accordance with the close ties between regional security and New Zealand's security interests, the Defence Force plays an important role in monitoring and responding to a range of activities in New Zealand's expansive maritime area of interest, from Antarctica to the South Pacific. This now includes monitoring and protecting the Ross Sea Marine Protected Area.

Defence contributes to maintaining New Zealand's prosperity via secure air, sea and electronic lines of communication and secure access to space-based services

51. New Zealand's security and prosperity depend on open sea, air and electronic lines of communication, and could be severely impacted by disruptions associated with state conflict, serious criminal activity, or natural disaster.

52. The Defence Force makes an important contribution to international efforts to ensure freedom of navigation and open lines of communication. In recent years this has included maritime surveillance and patrol activities in the South Pacific and Southeast Asia and participation in multinational counter-piracy maritime security operations in the Arabian Gulf and Indian Ocean.

53. New Zealand relies on national and international infrastructure that enables electronic communication. These systems are critical to New Zealand's ability to engage and trade internationally (and increasingly domestically). They are also vital to the Defence Force's ability to carry out its roles and tasks effectively and may hold opportunities to assist in monitoring our maritime area. Alongside and in support of other Government agencies, Defence contributes to the protection of this infrastructure, and through its international partnerships undertakes efforts to enhance its security.

54. Space-based systems are increasingly important to New Zealand's wellbeing and to Defence Force operations. Defence now has an important role in contributing to international efforts to ensure secure access to space-based services. To exercise command and control, navigate and operate battlefield management systems that are interoperable with our partners, the Defence Force is becoming increasingly reliant on information networks and space-based systems. In addition, New Zealand's space industry has grown substantially in recent years.

55. The increasing reliance on networked communication and computer systems, by all parts of the nation, creates a growing need to ensure New Zealand maintains electronic and digital links to the wider world. The Defence Force helps to protect these links by providing physical security against threats to infrastructure, such as undersea cables, and playing a part in general cyber resilience by protecting its own networks and sharing intelligence and expertise with domestic and international partners.

World

Defence contributes to the maintenance of the international rules-based order

56. The international rules-based order is fundamental to New Zealand's national security. It supports New Zealand's independent foreign policy and broad access to global markets, affords the protection and support of multilateral institutions and collective arrangements, and allows New Zealand to contribute to international peace and security. This order provides protection by disciplining states' exercise of national power through international law, custom and convention. It accords rights to all countries, regardless of their size.

57. Enjoying the benefits of such an order means New Zealand, like other countries, has an obligation to support this order and be willing to support the prevention or resolution of conflicts within and between states. Contributions to peace and stability in the world mitigate disruptions to national and community wellbeing and security.

58. New Zealand has a long history of contributing to such activities, often as part of United Nations initiatives, in ways that reflect our national values. In addition to supporting regional security architecture in the Asia-Pacific and the South Pacific, Defence has long-standing commitments in the Middle East and the Republic of Korea. In recent years the Defence Force has undertaken stability and support operations in Timor-Leste, Afghanistan, Solomon Islands, and Tonga, as well as counter-piracy operations off the Horn of Africa and capacity building in Iraq. While the Defence Force prepares for this broad range of missions, world events dictate where the Government may deploy the Defence Force at any given time.

Defence contributes to New Zealand's network of strong international relationships

59. In addition to supporting the international rules-based order, New Zealand has an enduring interest in fostering and maintaining a network of strong international relationships. These relationships amplify New Zealand's international influence while enabling New Zealand to continue to make independent decisions consistent with its interests, values and size.

Space-based systems are increasingly important to New Zealand's wellbeing and to Defence Force operations.

60. Defence and security cooperation are a core component of New Zealand's international relationships. New Zealand has a long history of operating alongside many other countries and making credible contributions to combined operations. Through continued, meaningful defence and security engagement, New Zealand develops familiarity with states with which its relationships may be less established, and deepens the trust of those partners to which it is already close.

61. New Zealand has no better friend than Australia. Defence and security are important components of our relationship, and our militaries operate closely together both regionally and globally. The March 2018 Australia-New Zealand Joint Statement on Closer Defence Relations reinforced the importance of interoperability to enable our militaries to work effectively together to address our shared security interests, with a particular – but not exclusive – focus on our cooperation in the Pacific. New Zealand will continue to work closely with Australia to respond to a range of security events, and New Zealand remains committed to responding immediately should Australia be subject to an armed attack.

62. Alongside Australia, New Zealand benefits from close engagement with its other Five Eyes partners: Canada, the United Kingdom and the United States. New Zealand values these relationships and is committed to strengthening and broadening them where possible through more regular interaction and cooperation. The Defence Force regularly operates and exercises alongside these partners across a range of activities, amplifying New Zealand's ability to contribute to international security and to protect and promote New Zealand's interests.

63. New Zealand has strong cultural and historical ties to South Pacific countries, and an enduring interest in the security and prosperity of the region. The Defence Force regularly operates in the South Pacific, for example from contributing to disaster response to supporting marine resource protection, and maintains strong relationships with Pacific Island states.

Defence and security cooperation are a core component of New Zealand's international relationships.

64. New Zealand is an active contributor to Association of Southeast Asian Nations (ASEAN)-centric security forums, including the East Asia Summit, ASEAN Regional Forum and the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus). These forums fulfil an important role in fostering stability, peace and security in the region by promoting understanding, entrenching habits of dialogue and facilitating practical cooperation. The ADMM-Plus framework – including its seven Expert Working Groups – remain Defence's principal forum for multilateral defence engagement in Asia.

65. New Zealand maintains bilateral defence relationships with countries across Asia. Some of these relationships are long-standing and enduring, including those with Singapore, Malaysia, and Brunei Darussalam. New Zealand's defence relationships with other Southeast Asian partners including Viet Nam, Indonesia, and the Philippines have also deepened in recent years. In addition, New Zealand maintains its commitment to Singapore and Malaysia through the Five Power Defence Arrangements, which also includes Australia and the United Kingdom.

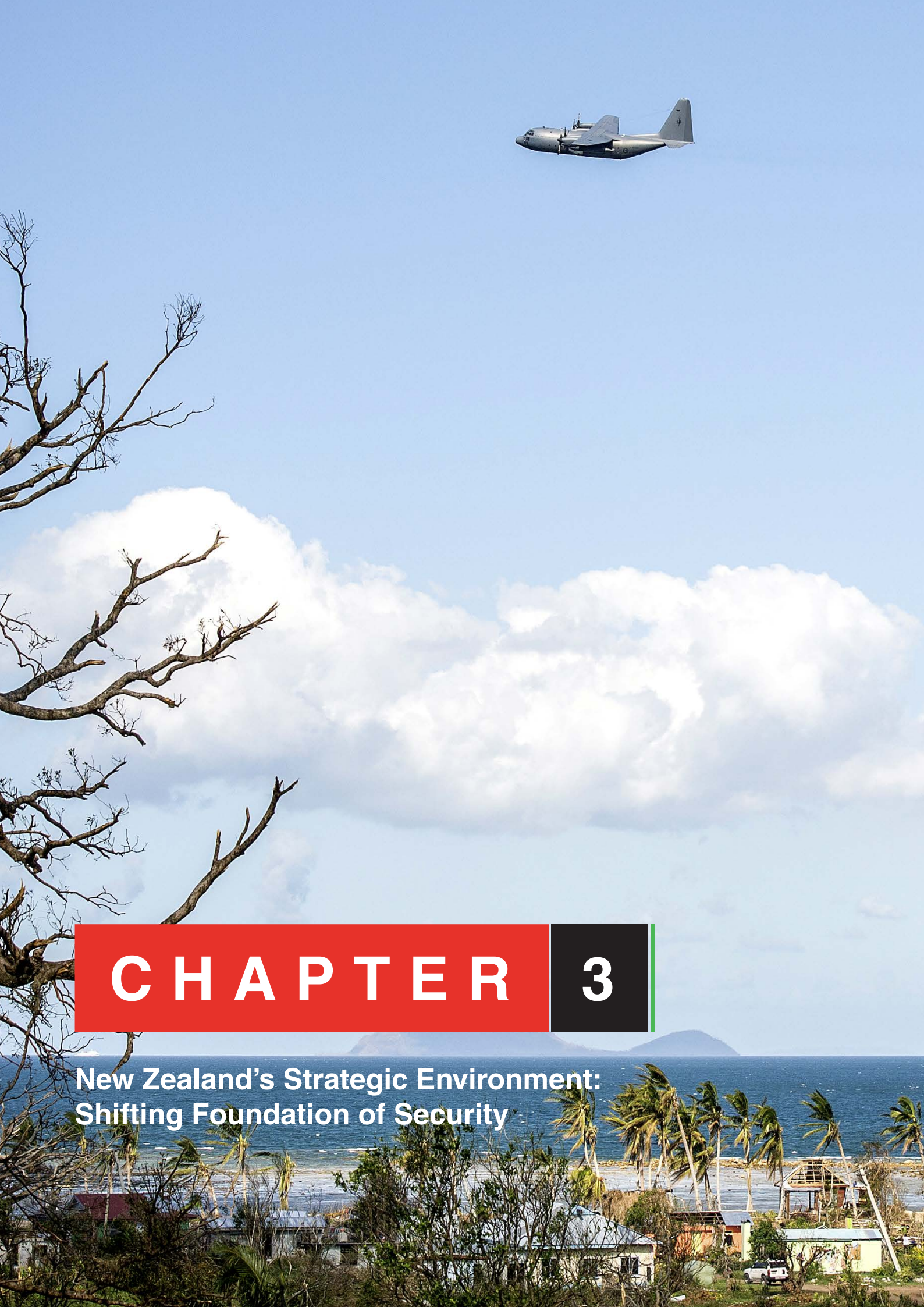
66. New Zealand's relationship with the Republic of Korea dates back to New Zealand's involvement in the Korean War. Japan is another important Asian defence partner for New Zealand, with common democratic values and a shared commitment to regional security and the international rules-based order. In recognition of progress towards its elections in 2019, New Zealand is also resuming a modest defence relationship with Thailand.

67. China is of central strategic importance in the Asia-Pacific and globally, and New Zealand continues to build a strong and resilient relationship with China. Defence and security cooperation with China has grown over recent years, supported by a range of visits, exchanges and dialogues.

68. New Zealand maintains a strong strategic interest in the Middle East given the effects that events in the region have on international security and the global economy. Our defence interests in this region are reflected in long-standing commitments, including to the United Nations Truce Supervision Organization and multi-national counter-piracy operations. New Zealand seeks to play a constructive role in the region.

69. New Zealand's defence engagement with European countries takes place both bilaterally and, importantly, through the North Atlantic Treaty Organization (NATO). New Zealand's defence links with Europe have strengthened over the course of more than a decade of combined operations, including those in Afghanistan, and reflect shared strategic interests. New Zealand engages regularly in broader security dialogue with the European Union and some of its member states, and contributes periodically to operations as part of the European Union's Common Security and Defence Policy.

70. Defence plays an important role alongside the Ministry of Foreign Affairs and Trade and other Government agencies in shaping the international security environment to support New Zealand's security and other interests.



CHAPTER 3

New Zealand's Strategic Environment: Shifting Foundation of Security

International order under pressure

71. Since the *Defence Assessment 2014* and the publication of the *Defence White Paper 2016*, there have been developments that impact our international outlook. These include the rise of ISIS and the subsequent diminishing of its physical caliphate; nuclear developments on the Korean Peninsula; heightened geopolitical competition globally; tensions related to territorial disputes, construction activity, and military deployments in maritime Asia; increasing unilateralism and economic protectionism; and the expansion of illiberal democracy. Climate change impacts and cyber threats are also materialising, sometimes in even more disruptive ways than forecast. Across geography and domains, challenges once conceived of as future trends have become present realities.

72. New Zealand is navigating an increasingly complex and dynamic international security environment, and will also face compounding challenges of a scope and magnitude not previously seen in our neighbourhood. While there may be noteworthy effects on New Zealand's interests from singular developments, New Zealand's security outlook and its expansive maritime environment may be shaped most powerfully by a combination of forces putting pressure on the international rules-based order, which will play out in newly potent ways close to home.

73. New Zealand's security depends on the maintenance of this order, which supports an independent foreign policy and broad access to markets, affords the protection and support of multilateral institutions and collective arrangements, and allows for the leveraging of these mechanisms to contribute to international security. The order's respect for the sovereign equality of states both empowers smaller states and disciplines the power of large states – a rare condition across history. The laws, norms, and institutions of a healthy order preserve stability and safeguard against conflict and uncertainty.

Across geography and domains, challenges once conceived of as future trends have become present realities.

74. Yet today and into the future, the rules-based order is coming under increasing pressure from three broad forces and their dynamic interactions:

    74.1. The growing importance of **spheres of influence**, with some states pursuing greater influence in ways that, at times, challenge international norms.

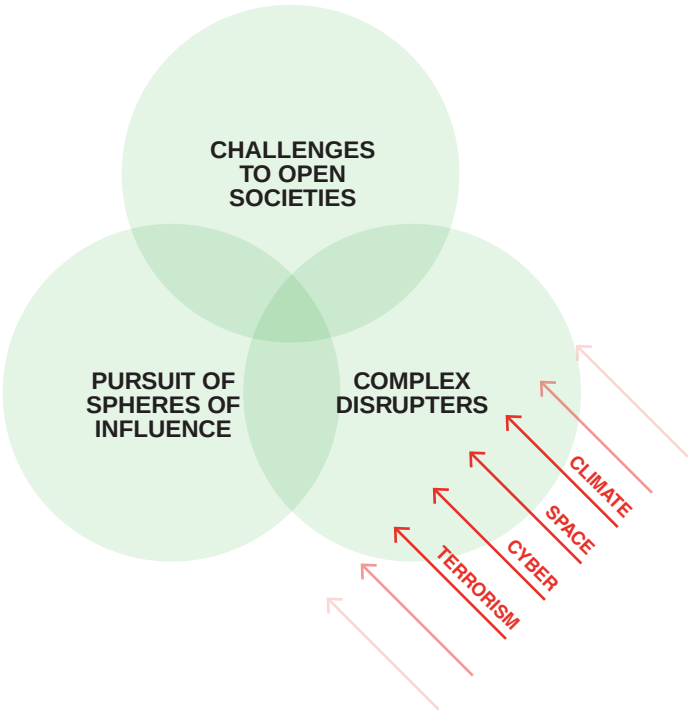
    74.2. **Challenges to open societies** and Western liberalism, driven by rising disillusionment with existing arrangements within these societies, threaten to reduce the willingness of open liberal states to champion the rules-based order

    74.3. A collection of **complex disruptors,** including an array of impacts from climate change, new technologies changing the nature of conflict, extremist ideologies, and transnational organised crime. Many of these disruptors disproportionately affect open societies and weak states. They are forces for disorder

75. As these pressures come to bear, the foundation of international security is shifting. While populism and nationalism may cause some Western nations to look inward at the expense of outward engagement, China is more confident in pursuing its aims, which include striving for greater connection through a range of new proposals, such as the Belt and Road Initiative.

76. There is now explicit recognition in both Beijing and Washington that even with economic inter-dependence and cooperation, their relationship includes long-term strategic competition. This has consequences for the ways countries are forming alignments and balancing their interests.

Three Forces Pressuring the International Order



77. In the context of increasing competition among powers, complex transnational threats will disrupt New Zealand's neighbourhood in ways not previously seen. The greatest uncertainties and effects may lie at the intersection of key trends, such as climate change contributing to further resource competition in already contested areas, cyber technologies' ability to disrupt through terrorist recruiting and subversion of democratic processes, and more sophisticated technologies in the hands of more diverse threat actors. The nature of these threats and their complex interplay will challenge states' capacities for awareness and monitoring, policymaking at pace, and effective responses.

Pursuit of spheres of influence: Contested rules and places

78. China is deeply integrated into the rules-based order. It has invested in its institutions and accrued significant benefits from free access to the commons and economic openness. China's increasing contributions to the international order have been visible across a variety of areas from peacekeeping to counter-piracy. New Zealand and others have encouraged China's increasing engagement on international issues, commensurate with its rising economic stature and in accordance with existing norms.

79. Yet as China has integrated into the international order, it has not consistently adopted the governance and values championed by the order's traditional leaders. Both domestically and as a basis for international engagement, China holds views on human rights and freedom of information that stand in contrast to those that prevail in New Zealand.

80. China has set an alternative model of development – a liberalising economy absent liberal democracy – challenging conventional wisdom in the West that the two go hand-in-hand. China's trade relationships and economic power have grown significantly, enabling it to pursue its interests with much greater confidence and with a wide array of political and economic levers. In Asia, China's more confident assertion of its interests has at times raised tensions with neighbouring states and with the United States.

81. China seeks to restore claimed historical levels of influence in its periphery as well as an enhanced global leadership role. While the world is increasingly multipolar, and growing roles for a variety of states may be expected – especially for China as its trade relationships bring increasing prosperity and connectedness – some actions in pursuit of these aims challenge the existing order.

82. China's military modernisation reflects its economic power and growing leadership ambitions. China's growing military capabilities raise the costs of any potential intervention against its interests and include stronger expeditionary capabilities, including a military presence in the Indian Ocean. China has expanded its military and coastguard presence in disputed areas of maritime Asia. It has determined not to engage with an international tribunal ruling on the status of sovereignty claims.

83. The ASEAN Code of Conduct represents an opportunity for constructive multilateral management of disputes, while unilateral actions by any claimant escalate tensions and raise the risks of miscalculation in the region. Where China has acted to advance its sovereignty claims, it has generally demonstrated a preference for bilateral engagement over existing regional architecture.

84. Russia and a number of other countries such as Iran and Saudi Arabia (countries competing for influence in the Middle East) have also integrated into the order while advocating values and views not aligned to those of the traditional leaders of the international rules-based order. But rather than following a different model as China has, Russia has attempted to discredit Western democracy by challenging its 'internal coherence,' leveraging information operations, and exploiting existing fissures within Western societies.

85. Russia also seeks to restore claimed historical levels of influence and its challenges to laws and norms in pursuit of a sphere of influence have at times been deniable and below thresholds for response, thus complicating approaches from states, NATO, and other regional and international organisations.

86. In its bid for greater influence in former Soviet republics and further afield, Russia has challenged international laws and norms through a range of actions, including cyber-enabled information operations (from Russia's 2008 invasion of Georgia through to social media campaigns that amplified political polarisation in the 2016 United States and United Kingdom elections) and use of military force.

87. Developments in Europe and Asia have crystallised a sense that non-democratic and democratic systems are in strategic competition, and that not all major powers' aspirations can be shaped in accordance with the rules-based order, in the way that had been hoped until recently.

88. At the same time that rules and norms have been challenged in pursuit of spheres of influence, there have been attempts to disrupt and influence Western nations' political systems from the inside – an aim pursued (and in some cases achieved) through many varied methods, from influence via cyber and social media activities to infrastructure building. This is a risk for open societies, including New Zealand.

In the context of competition among powers, complex transnational threats will disrupt New Zealand's neighbourhood in ways not previously seen.

Challenges to open societies: Looking inward

89. In Western democracies, nationalist and populist political movements have reflected an accelerating gap between the very wealthy and the working poor, as well as cultural anxiety associated with immigration and demographic shifts. These are forces broader than any singular election result. Public distrust of institutions and elites, questions around the credibility of information, and increasing political polarisation (in some cases exacerbated by foreign influence campaigns) have led to a new level of support for disruption of established norms, institutions, and systems.

90. Key portions of electorates believe globalisation, immigration and multilateral institutions have come at the expense of their prosperity and cultural identity. This worldview drives inward focus, and is openly sceptical – and sometimes hostile – to elements of the international order, including economic openness.

91. Uncertainty about the future international role of the United States has disruptive implications in itself, as states re-assess how they should realise interests in a shifting strategic environment. The United States national security strategy acknowledges a more competitive environment that will test its ability to remain a peerless global military power.

92. Europe has also faced challenges including the economic fragility of some Eurozone members and in managing large inflows of asylum seekers.

93. These dynamics undercut the resolve and ability of traditional leaders of the rules-based order to continue to act as its central guarantors. If this circumstance intensifies, opportunistic players may disregard the rules and norms of the system without fear of penalty, though others may step up to reinforce the rules and institutions of the existing order.

94. One implication already being realised involves the deterioration of governance across the spectrum – liberal democracies sliding into illiberalism, some democracies incorporating authoritarian elements as they centralise power in executives, and authoritarian countries becoming more authoritarian. States across the globe have seen such deterioration. The hopes of the Arab Spring have been largely unrealised and worse, destabilising. Diverse internal forces are changing governance for the worse with potentially long-lasting, generational effects within countries and for the international order.

Governments and militaries will continue to face cyber workforce challenges, competing with the private sector in a limited talent pool.

Complex disrupters: Global agents of disorder

95. Complex disruptors are transnational trends that challenge stability in complex ways. While some offer opportunities to be harnessed, these disruptive forces often amplify or enable other threats. Many disproportionately impact open societies and states with weak governance and low-resilience infrastructure. Whereas many of these issues were once conceived of as future trends, several are playing out now, and are most powerful at their intersections. Some of the complex disrupters most relevant to New Zealand's interests include climate change, cyber, space, advanced military technologies, transnational organised crime, terrorism, nuclear proliferation, and migration.

Climate change

96. New Zealand and Pacific island countries are increasingly impacted by a range of compounding, climate change-related problems stemming from rising temperatures, rising sea levels, and other changes in weather patterns. The impacts of these changes will be experienced most acutely and immediately in the Pacific and the broader developing world – places comparatively less equipped to handle these challenges.

97. Climate change is increasing the frequency and intensity of weather extremes such as cyclones, rainfall events, droughts, and flooding from sea level rise. New Zealand is already experiencing the erosion of coastlines and impacts on coastal developments and infrastructure. In the Pacific, climate change is also exacerbating marine water pollution and the salinisation of water supplies, agricultural lands and fresh water ecosystems. Rising temperature and acidification of the ocean is beginning to impact on marine and coastal ecosystems important for economic wellbeing and subsistence.

98. Over time, climate change impacts human security, with increasing water shortages, food insecurity, and health impacts such as increased vector-borne and bacterial diseases, and compromised nutrition. Where livelihoods are affected, climate change will induce displacement and migration (both internal and cross-border) and has the potential to destabilise areas with weak governance, magnifying traditional security challenges.

Cyber

99. Physical distance is no protection in cyberspace, and New Zealand is subject to a growing cyber threat from state-sponsored and other malicious actors. The cyber domain is inherently connected to other domains of defence and society, including trade and commerce conducted via the internet. Cyber blurs boundaries between conflict and peace, and public and private.

100. Technologies in this arena have now proven their ability to disrupt, sometimes with strategic consequences. Cyber has been a platform for terrorists to recruit with global reach, elections to be influenced, funds to be stolen from central banks, and massive thefts of intellectual property to be carried out.

101. The widespread adoption of social media has led to challenges around the credibility of information and amplified political and cultural divisions, especially in open societies. Russian 'active measures' in the 2016 United States presidential election brought to light 'cyber-enabled information warfare' as a disrupter in liberal democracies with potential long-term consequences, beyond single election results. Other countries continue efforts to limit the availability of information via the internet through the use of firewalls and telecommunications regulation.

102. The number of states sponsoring cyber operations is rising, and governments' development of offensive cyber capabilities is becoming increasingly normalised. The United States and United Kingdom have discussed cyber operations as part of counter-terrorism campaigns, and Australia and Canada have affirmed offensive capabilities in public strategies, conceiving of military effects in this domain as just as logical as in other domains. Governments and militaries will continue to face cyber workforce challenges, competing with the private sector in a limited talent pool.

Space

103. Space systems have become essential for situational awareness and providing a range of services, including navigation, telecommunications, Earth observation, and banking. Denial of these services can have significant national security implications, from economic prosperity to public safety.

104. Space-based services are also critical enablers for military operations – in navigation, communications with headquarters and other deployed assets, access to fleet-based broadband for unclassified and classified systems, environmental situational awareness (including weather forecasting and ice state monitoring), and even personnel welfare. As space technologies become less expensive space is becoming more accessible to state and non-state actors.

105. The expected proliferation of counter-space capabilities will increase risks of denial of access to space systems. Denial via jamming, spoofing, and hacking is becoming easier, more advanced and more frequent, with many examples having occurred over the past few years. Physical counter-space activities, whether kinetic or non-kinetic such as ground-based lasers, are more difficult to possess but could have catastrophic effects, causing irreversible loss of space assets as well as risking damage to other assets through the creation of space debris.

106. Space will become increasingly congested and competitive. Greater access to space means growing numbers of satellites being launched and operated, particularly in Low Earth Orbit, and an ever-growing amount of human-created space debris. This increases the risk of collisions and damage to critical space systems.

107. Environmental hazards – from solar flares to celestial events – can also disrupt or damage space-based systems.

108. A rules-based approach to the responsible and peaceful use of space by all nations is ultimately necessary to ensure that access to and use of space can be maintained.

Advanced military technologies

109. Cyber, space, autonomous, and other military technologies are changing the nature of conflict, at once enhancing stand-off capabilities and potentially lowering thresholds for initiating conflict. Capabilities previously restricted to nation states have become more common and affordable. This allows poorly resourced nations and non-state actors to increase the scope, scale, and lethality of their capabilities.

110. At the high end, robotics and autonomous systems are becoming ubiquitous across the spectrum of military operations. Longer-range munitions, paired with powerful sensor networks and advanced data processing, may enable more lethal stand-off engagements. Sensors, communication, and artificial intelligence are becoming more powerful and integrated.

111. Across military activities, it will become more challenging to remain interoperable with sophisticated partners and more difficult to undertake actions without being observed and targeted.

Transnational Organised Crime

112. Connections among transnational criminal organisations continue to proliferate and drive instability in our region and globally. Their activity exploits migration, trade, porous borders, and ungoverned spaces, and blurs the boundaries between legitimate business and organised crime, as these organisations utilise legitimate financial, legal and property services.

113. Transnational crime networks often introduce previously unseen levels of violence into vulnerable communities, and corruption of state institutions can threaten governance. Organised crime also employs violence as a means of informal contract enforcement in the domestic illicit drugs market. Drugs and associated violence are considerably destabilising to communities.

114. These groups are increasingly involved in cybercrime. This expands their threat across societies, from banking systems to infrastructure, more broadly perpetuating insecurity. Advances in technology have favoured increased anonymity in illicit markets. New Zealand's remote geography is no barrier to access to illicit services, now available online.

Robotics and autonomous systems are becoming ubiquitous across the spectrum of military operations.

Terrorism

115. Even as an international coalition has largely been successful in rolling back the territorial gains of ISIS, terrorism will remain a persistent challenge, fuelled by sectarian conflict, weak governance, economic displacement, and opposition to perceived Western intrusion.

116. Since 2011, tens of thousands of volunteer fighters from more than one hundred countries have travelled to Syria, Iraq, and Libya, where they developed lethal skills and cultivated networks. Their travel away from conflict zones – to areas closer to New Zealand, including possibly to South and Southeast Asia – has the potential to project networks, instability, and conflict to new areas, and is especially dangerous when it fuses with local grievances.

117. The threats of smaller-scale, home-grown terrorism around the world has also become more urgent, as technology and social media establish connections among lone actors, local affiliates, and global movements.

Nuclear proliferation

118. The global nuclear order has been weakened in the face of a number of states' investment in increased capabilities and use of nuclear threat rhetoric.

119. While New Zealand and others have championed the Nuclear Weapons Ban Treaty, the P5 and NATO states have argued that the effort fails to take into account factors around strategic stability. A new wave of missile proliferation is feeding regional security dilemmas, and the inter-connectedness of nuclear command and control and the contested space and cyber domains may increase the dangers of non-nuclear weapons triggering the use of nuclear weapons.

Migration

120. In 2015, one in every 112 people in the world was a refugee, an internally displaced person, or an asylum seeker. Failing states, persistent conflicts, ethnic and religious tension, and uneven economic development have driven migration numbers upward, to produce this staggering statistic – the highest levels ever recorded.

121. People smuggling and human trafficking, which puts vulnerable peoples' lives at risk and undermines the integrity of state borders, will persist based on the major financial incentives for criminal networks.

    Irregular immigration and increasing cultural diversity has created a backlash in some Western societies, fuelling populist and national political movements that have painted an image of 'Western values under attack'.

Increasing issue complexity, declining consensus among states, and diversification of players beyond states are challenging multilateral institutions in ways that may constrain small states' ability to effectively leverage them.

Global implications: Strategic competition and compounding disrupters

122. The forces challenging the current international rules-based order have distinct expressions around the world and across a variety of interest areas for New Zealand.

Multilateralism

123. Increasing issue complexity, declining consensus among states, and diversification of players beyond states are challenging multilateral institutions in ways that may constrain small states' ability to effectively leverage them.

124. Just as populist forces constrain the traditional guarantors of the order, China is positioning itself as a leader in a new phase of globalisation, and has shown positive leadership in addressing a range of issues, including climate change. However, there is the possibility that a new set of multilateral priorities may emerge, potentially to the detriment of values-based agendas, such as human rights, arms control and non-proliferation efforts.

125. United Nations peacekeeping has become more challenging as security environments have grown more precarious, with missions requiring greater intelligence capabilities and combat-ready forces to face new threat levels.

The Asia-Pacific

126. This region, central to New Zealand's interests, is increasingly shaped by strategic competition, inter-state tensions, and nationalism. While the regional order has accommodated regional states' preference to pursue a diverse set of economic and security relationships, intensifying competition may make such arrangements less viable. In this context, states may be compelled to make choices, small and large, in ways they had previously avoided. Economic tension associated with strategic competition has the potential to impact the multilateral trading system.

An increasingly confident China

127. China's influence in the region has grown as its trade relationships have flourished, and it has proposed bold investment initiatives. China uses a broad set of levers in pursuit of its external interests, including in pursuit of its territorial claims. In 2013, China declared an Air Defence Identification Zone in disputed areas of the East China Sea, and more recently China's air force has publicised the landing of several long-range bombers, including nuclear-capable aircraft, on features in the South China Sea. China also uses military, coast guard, and fisheries to act in support of its maritime claims.

128. Notably, China has created and extended multiple artificial island features in the Spratly and Paracel Islands upon which it has constructed bases. These posts now feature new radar and communications arrays, airstrips and hangars, deep water harbours, and weapons systems, which provide China with the ability to quickly deploy a range of additional capabilities in and around key international shipping lanes.

Australia

129. As its 2017 *Foreign Policy White Paper* describes, Australia is concerned about stability in the Indo-Pacific region, major power adherence to international law and norms, North Korea's growing missile and nuclear arsenals, the rise of economic nationalism and political alienation in many countries, and fragility in the Pacific. This strategic outlook has prompted a range of national initiatives and investments, including increased development of Australia's defence and security capabilities, deepening alliance cooperation with the United States, increased engagement with the region's democracies, enhanced defence activities with Indo-Pacific countries, and bolstered engagement in the Pacific. Australia continues to value deep, practical cooperation with New Zealand and emphasises the value of interoperable defence capabilities and bolstered intelligence efforts.

Southeast Asia at the crossroads

130. As a linchpin between the Indian and Pacific Oceans and home to the trade-critical Strait of Malacca, Southeast Asia is at the centre of an expansive geostrategic area increasingly referred to as the Indo-Pacific. Based on ASEAN centrality, regional architecture has grown to ensure the rights of states and access to commons, reinforce norms, and resist any single state dictating terms.

131. The consensus-based approach of ASEAN has been one of the organisation's greatest strengths, though this approach may also lead to challenges to unity, when external powers attempt to exercise influence over individual member states. ASEAN states also face issues around countering violent extremism, as well as human rights challenges and corruption that could potentially undercut liberal democratic governance.

Indo-Pacific partners reinforcing the rules-based order

132. Japan, Australia, and the United States have promoted Indo-Pacific concepts, with all presenting India as an important strategic partner. These strategies aim to reinforce regional peace and stability, prosperity, respect for the rule of law, and openness through existing regional architectures as well as more active diplomatic engagement with a network of democracies, and new defence forums and trilateral arrangements. Increasing defence engagement has featured a particular focus on maritime security and freedom of navigation.

133. Japan's Free and Open Indo-Pacific Policy has a strong focus on economic engagement, development, and infrastructure investment, alongside its imperative to shape a more favourable environment, from Africa to the Pacific, for peace, stability, and the rule of law. Japan has also revised its defence guidelines, potentially enabling its Self Defence Force to operate in more conventional defence settings alongside its allies and partners, relaxing constitutional limitations on the scope of permissible operations.

134. United States strategy focuses on affirming security commitments to United States allies, invigorating its strategic relationship with India and other partners, supporting strengthened regional architecture centred on ASEAN, upholding of rules and peaceful dispute settlement, and sustaining military advantage in Asia, to continue to promote broad and open access to the commons and support regional peace and security. The United States has, however, withdrawn from the Trans-Pacific Partnership, which marks a significant step back from involvement in regional trade and economic rule-making. United States withdrawal from the Paris Climate Agreement undermines global efforts to mitigate the impact of climate change, with potentially negative consequences for security in the region, particularly for highly vulnerable Pacific Island countries.

135. In addition to deepening engagement with Japan and the United States, India's Act East policy includes closer cooperation with a range of ASEAN states. Its military is highly advanced and has invested in the most capable platforms available to it, with an emphasis on air and naval power.

Proliferation concern

136. North Korea's nuclear and missile development increases chances for miscalculation and escalation. It also increases risks of horizontal nuclear proliferation in North Asia. In addition to dangerous nuclear developments, North Korea has a substantial store of chemical and biological weapons, a significant cyber capability (which it has shown willingness to use), ballistic missile capabilities and formidable conventional forces, including significant artillery targeted at Seoul. It remains to be seen whether high-level diplomacy may mitigate these threats. Declarations from the recent Inter-Korean and United States-North Korea summits are positive steps, but the challenges associated with the goal of de-nuclearisation of the Korean Peninsula should not be underestimated.

Economic vitality

137. The Asia-Pacific's economic dynamism is expected to continue its trajectory, with India and Indonesia both becoming top ten economies within the next two decades – a power diffusion that will impact global economic leadership and underscore the strategic centrality of the region.

Australia continues to value deep, practical cooperation with New Zealand and emphasises the value of interoperable defence capabilities and bolstered intelligence efforts.

The Pacific

138. Pacific Island countries are confronting intensifying challenges around the impacts of climate change, transnational crime, and resource competition, with a growing gap in capacity to adequately address them. A combination of complex disruptors could test local governance, exacerbate state fragility, and likely require increased levels of assistance, including operations beyond humanitarian assistance/disaster relief (HADR). New Zealand has partnered with Pacific states to manage internal instability on several occasions in recent years, including in Timor-Leste, Bougainville, Solomon Islands, and Tonga. It is possible that such activities will be required again within the next decade.

139. Concurrently, China is enhancing its influence in the region, including through development assistance and support for economic engagement.

Antarctica

140. Interest by both state and non-state actors in Antarctica and its surrounding waters will likely grow over the coming years. This will lead to increased congestion and crowding, as well as pressure on key elements of the Antarctic Treaty System, such as the prohibition on mineral extraction. States are planning and building new facilities. The planned Italian runway in Terra Nova Bay could support broader activities by a range of states interested in the region. China has begun work on its fifth base in Antarctica, on Inexpressible Island.

141. While an evolved treaty system is likely to remain the key framework for governing activities in Antarctica, difficulty in distinguishing between allowed and prohibited activities under the Antarctic treaty system could be exploited by states seeking to carry out a range of military and other security-related activities.

A combination of complex disruptors could test local governance, exacerbate state fragility, and likely require increased levels of assistance.

Middle East and North Africa

142. The majority of ISIS territory has successfully been retaken, but instability is likely in its wake, as the Syrian civil war enters its seventh year, Iraq continues to struggle with sectarian division and rebuilding, Turkey grows increasingly assertive in its response to Kurdish territory gains in Syria, and foreign fighters travel home or to other locations.

143. Saudi Arabia and Iran continue to vie for influence along sectarian lines across the region and beyond. Lack of an active Israel-Palestinian peace process, the Gulf Cooperation Council's internal schism and isolation of Qatar, and the enduring conflict in Yemen add to uncertainty and intractability.

144. Instability in this region can have significant consequences for international security, the global economy, and New Zealand's own economic and security interests. Partners in the Middle East will continue to look to relationships with Western countries and other key stakeholders like Japan to help stabilise the region. These countries maintain a military presence in the region to continue to counter and prevent the spread of terrorism, and contribute to maritime security operations that help protect international trade routes and access to strategic energy reserves. This includes operations to counter piracy, transnational organised crime, and smuggling that have flow on effects around the world.

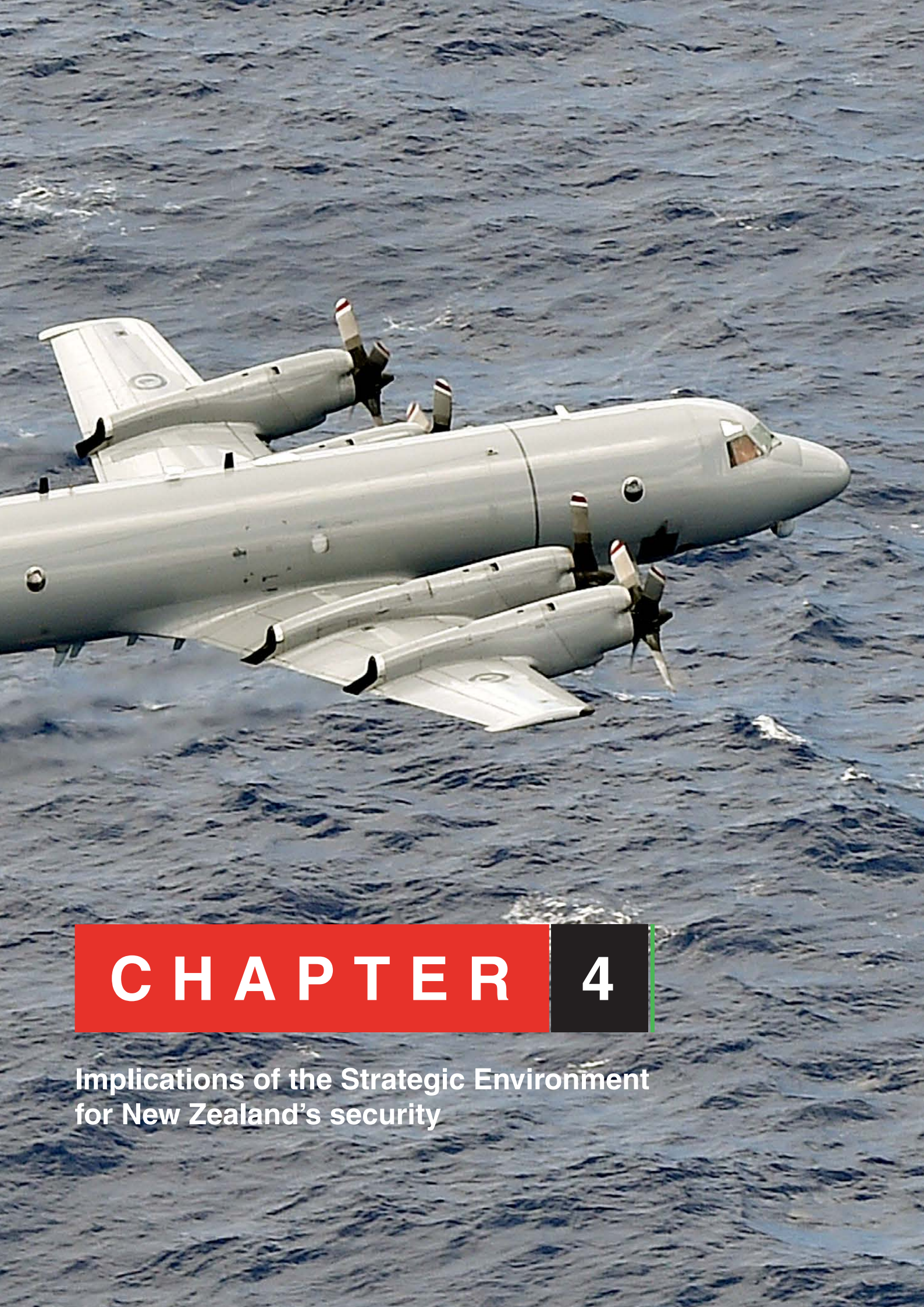
Europe

145. A major trading partner for New Zealand and source of like-minded support in multilateral forums, Europe faces significant challenges associated with the three forces pressuring the order.

146. While the spike in European populism in 2016 seemed to wane in 2017, a longer-term analysis reveals steady growth in support for predominantly far-right populist parties since the 1980s, with once single-digit fringe parties graduating to mainstream prominence.

147. The maintenance of European Union cohesion will continue to be an important preoccupation as the EU addresses a range of challenges, including institutional reform, economic stability, immigration policy, and the persistence of nationalist and populist forces that impact on Europe's governments.

148. Europe has also been the target of influence and coercion campaigns by outside powers, with NATO focusing anew on countering a formidable Russian threat. NATO continues to be an important partner for New Zealand in countering transnational threats.



CHAPTER 4

Implications of the Strategic Environment for New Zealand's security

149. As these forces pressure the international rules-based order, this shifting in the foundation of security is confronting New Zealand, our partners, and our key interests. Many of these dynamic challenges require a span of high-level statecraft, all-of-government strategies, and community engagement.

150. Both in areas where Defence is in the lead and in areas where Defence is in support, it will have to act with new urgency, in new ways, and at new levels to protect New Zealand's interests. The ability to act alone when required and together with partners who share our interests and values will remain fundamental.

Complexity and disruption at home and in our neighbourhood

151. With New Zealand's large maritime profile, maritime security—from our shores and territorial waters to our Exclusive Economic Zone (EEZ) and considerable Search and Rescue Zone, through to approaches and sea lines of communication—is fundamental to national security. Challenges in this domain are likely to intensify in decades to come. Pacific Island countries, with far less capacity, also confront these issues, which include (but are not limited to) the impacts of climate change, transnational crime, resource competition, and irregular migration. The intersections of these disruptors underscore formidable and rising complexities, and the need to anticipate increased operational requirements across the EEZ, the Southern Ocean, and the Pacific.

    151.1. The **impacts of climate change** are being felt acutely in the Pacific as well as in New Zealand itself. This will necessitate more HADR and stability operations in our region, and greater need to plan for and respond to civil defence emergencies resulting from severe weather and the impacts of climate change at home. New Zealand may be faced with concurrent operational commitments, which could stretch resources and reduce readiness for other requirements.

    151.2. Efforts by New Zealand agencies to counter **transnational organised crime** offshore, including with Defence assets, has the potential to save significant police, social development, and corrections expenditure onshore, where community harm associated with drugs, small arms, and other dangerous commodities can metastasise. Several Pacific nations will likely require assistance to counter this challenge, from information gathering and better awareness through to interdiction operations. The transit and transhipment of narcotics through the Pacific, as well as the growing threat of organised crime groups from Asia, are destabilising factors in our immediate region.

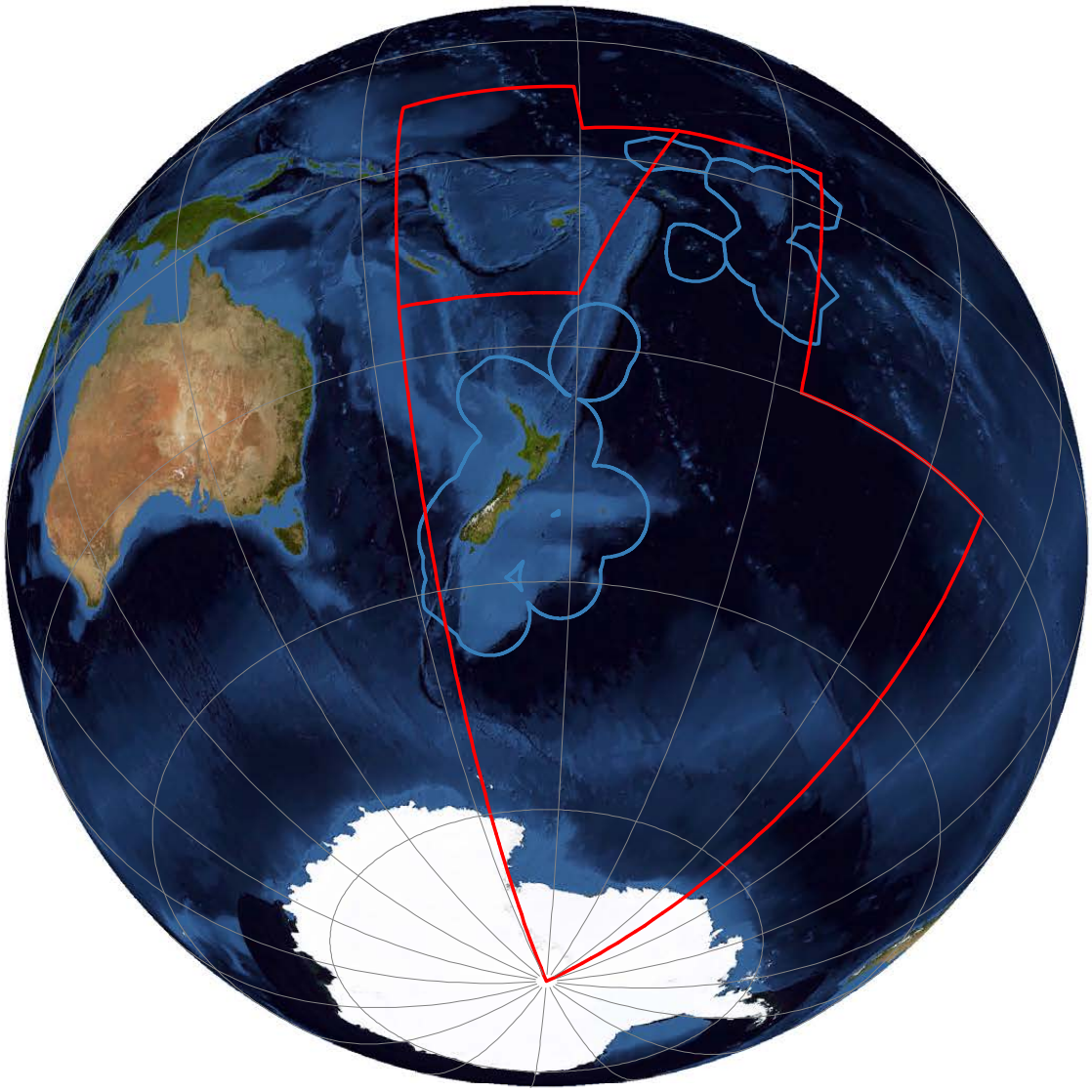
    151.3. Increasing **resource competition** and resource scarcity in the maritime domain will continue to challenge New Zealand and the Pacific. Ability to monitor, deter, and protect maritime interests will be challenged by a more complex and more competitive maritime domain, especially given the size of New Zealand's EEZ and scope of current resources. This includes illegal, unregulated and unreported fisheries activity and whaling in the Southern Ocean.

    151.4. While New Zealand's physical distance buffers the risk of **irregular migration**, people smugglers will continue to test the viability of New Zealand as an alternative destination. Defence will continue to play an important role in supporting all-of-government efforts to deter, provide early warning, prevent, and respond to a maritime mass arrival.

152. Steep debt burdens associated with infrastructure projects have potential implications for influence, access, and governance. Greater competition for influence in the Pacific will intersect with the suite of complex disruptors. Climate change will provide further opportunities for a range of countries to increase their influence in the Pacific, with investments in strong infrastructure and green technology becoming more important.

153. New Zealand's national security remains directly tied to the stability of the Pacific. As Pacific Island countries' relationships with non-traditional partners continue to develop, traditional partners such as New Zealand and Australia will be challenged to maintain influence and have a more positive impact in line with our values. Enhancing defence relationships and resilience, and active engagement in support of enhancing regional architecture, such as the South Pacific Defence Ministers' Meeting, will increase in importance.

With New Zealand's large maritime profile, maritime security is fundamental to national security.



New Zealand Search and Rescue Region, including areas where New Zealand is often called upon to assist

Economic Zone of New Zealand Territories and Associated States

New Zealand continues to invest in strengthening regional architecture that helps to protect the rights of small states and enhances stability, security and free access to global commons.

154. The Pacific will evolve as the suite of complex disruptors and impacts of new players come to bear. As our Government faces complicated decisions, the urgency for fuller maritime domain awareness and the ability to respond to incidents when they arise will further increase. This involves coverage of large tracts of ocean in regular long-range, long-endurance operations. Across challenges, more resources will be required simply to achieve baseline security outcomes.

155. In the face of these developments, nations will rely even more heavily on New Zealand and Australia to contribute to security. The maritime security focus of Australia, India, Japan, and the United States may offer opportunities to cooperate on countering disruptive maritime challenges.

156. As international interest in Antarctica grows, it will be critical for New Zealand to ensure peace and stability on its southern flank and in the Ross Dependency, as well as the integrity of the treaty system. It will be in New Zealand's interest to gain greater awareness, and like-minded nations may also look to New Zealand to provide awareness and advocate for transparency of all parties' activities.

New Zealand Defence's ability to provide credible contributions to coalition operations in support of the rules-based order is a key component of our strong international reputation.

Increasing vulnerabilities and opportunities in cyber and space

157. New Zealand faces potential disruption to critical lines of communication in space and cyberspace, which may impact our nation, even when it is not the intended target. New Zealand's relative geographic isolation means it is particularly dependent on two undersea cables as well as satellite systems and other space-based infrastructure. These connections are critical for our increasingly services-focused economy. New Zealand's own involvement in space-related activities, including its emerging space industry, is developing rapidly and our interest in ensuring access to space should match this.

158. The Defence Force may have to operate in space and cyber-denied environments and will have to remain vigilant against a range of malign actors in cyberspace. Nearly all Defence Force deployments rely on space-based services in some way, from communications to navigation and command and control.

159. At the same time, these domains and new military technologies also represent opportunities for New Zealand, given the requirement to monitor and respond within vast maritime spaces. For example, our investment in Wideband Global Satellite provides global satellite communications capability for the Defence Force.

160. In addition to a focus on protection, operational effects in cyberspace could provide Defence Force commanders with new tools and be a new form of valued coalition contribution. Satellite systems are critical for secure and reliable communication between deployed and friendly forces, as well as with headquarters. They provide responsive and effective situational awareness, which is essential when New Zealand exercises responsibility, over such a large area, from the South Pole to the Equator.

161. Defence does not possess any indigenous space-based infrastructure and relies on services provided by our partners. This includes the Global Positioning System (GPS) operated by the United States. GPS enhances deployed forces' ability to make operational and tactical decisions in real time, enables accurate positioning and timing for precision weapons systems, assists in navigation, improves the safety of deployed personnel and systems, and enhances the air, land and sea worthiness of platforms.

Supporting stability in the Asia-Pacific

162. Southeast Asia may face a growing terrorist threat, as foreign fighters return from the Middle East, more experienced terror instigators are released from prison, and home-grown terrorist elements may be fostered by deepening religious fundamentalism. Terrorist groups leverage local grievances, and capitals are challenged to extend governance to the outer reaches of their borders. It will be critical to develop and deepen defence partnerships in Southeast Asia and, where appropriate, assist in countering violent extremism and counter terrorism missions, in cooperation with partners.

163. New Zealand continues to invest in strengthening regional architecture that helps to protect the rights of small states and enhances stability, security and free access to global commons. Participation in the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus) and its Expert Working Groups remains a priority for Defence, and close cooperation with ASEAN partners to support and strengthen that institution is vital to promoting resilience and New Zealand values in this critical region. Continuing to invest in bilateral defence relationships with the countries of ASEAN will also be important.

164. North Korea is a critical disarmament and non-proliferation challenge. It will continue to be in New Zealand's interests to support efforts toward de-nuclearisation, as well as maintain our presence at the reinvigorated United Nations Command, both of which are valued by our ally and close partners.

165. Our interests are likely to dictate less flexibility in managing our relationships with those who assertively challenge the rules-based order. Defence should be prepared to cooperate with a range of traditional and non-traditional partners, in practical terms and in accordance with our values, on operations such as HADR in the Pacific and in Southeast Asia. Defence must also be clear-eyed about the implications of geostrategic competition, and the range of effects and insecurities that may impact partners in our neighbourhood and further afield. Defence should stand ready to assist partners and multilateral institutions in ways the Government may direct.

Fortifying key defence partnerships and contributing to the rules-based order

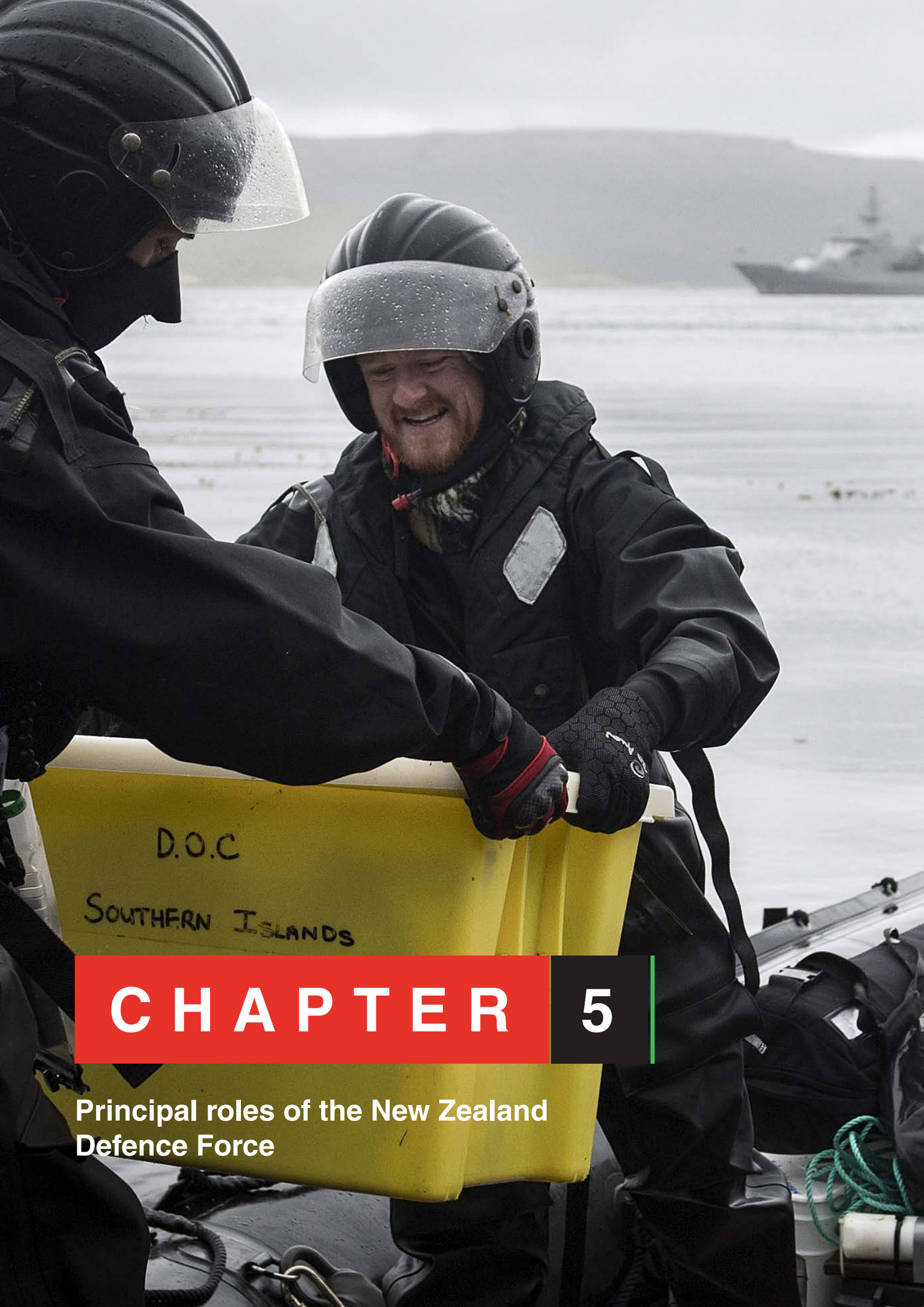
166. As forces bring increasing pressure to bear on the international rules-based order, greater collaborative efforts by like-minded states will be necessary to reinforce this order from which New Zealand and so many others benefit. As challenges to the order intensify, it will remain in New Zealand's vital interest to act in support of the order, from our neighbourhood to the Asia-Pacific and further afield, at times on our own and at times with partners. New Zealand has a strong international reputation as a valued, credible defence partner and ally to Australia. Partnerships from the Five Eyes to NATO and the EU are vital to enabling the realisation of our interests, the promotion of our values, and the safeguarding of our sovereignty in a complex and changing world.

167. The Middle East will remain a critical theatre of operations where, together with our partners, Defence can act in favour of stability by countering piracy, terrorism, instability, and transnational crime. These operations stem the flow on effects that could impact our partners, our region, and New Zealand. They also maintain the security of sea lines of communication critical to New Zealand's interests.

168. As the strategic environment becomes more challenging, it will increasingly be in New Zealand's interest to act to address a range of complexities. Our partners will also strive to address greater complexity, and their expectations of New Zealand are likely to increase, from the Pacific to Antarctica – where they will rely on us to a greater degree – and in places further afield – where we act with them in support of stability and the rules-based order.

169. New Zealand Defence's ability to provide credible contributions to coalition operations in support of the rules-based order is a key component of our strong international reputation. Interoperability, complementary capabilities, unique perspectives, and regional relationships are critical components of our alliance and partnerships. Defence can continue – and potentially bolster – its abilities to demonstrate value along these lines.

170. As partners acquire ever-more sophisticated capabilities, contributing to coalition operations will require high-level network interoperability and contributions that do not present a defensive liability to them. In whatever areas our forces conduct operations, it is likely that more sophisticated technologies – including autonomous systems – will be employed, whether by friends or adversaries. To retain New Zealand's reputation, freedom to act, and mitigate risks to mission and personnel, Defence must strive to keep pace with technological evolutions.



CHAPTER 5

Principal roles of the New Zealand Defence Force

171. The Government's decisions about the capabilities and operations of the Defence Force are grounded in a clear set of expectations about the roles and tasks the Defence Force is to undertake, where, and with which partners. These roles, and the priorities that support them, are determined by New Zealand's national security interests, and informed by the evolving strategic environment.

Defence priorities

172. The Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and its neighbourhood, from the South Pole to the Equator. This encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy.

173. The Defence Force must be prepared to operate independently – and lead operations – in these areas if required.

174. New Zealand's national security and interests also depend on events further afield. Increasing challenges to Asia-Pacific security, including the undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide in support of the maintenance of the international rules-based order.

175. Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated peace support operations. Within New Zealand's neighbourhood, such combined operations will be increasingly likely. The Defence Force must be able to operate effectively with New Zealand's key security partners, including with our ally Australia and our other Five Eyes partners. This will have implications for Defence capability choices and for the shape of Defence's international relationships.

176. In coming years the Government will face increasing demands for Defence Force contributions to operations within New Zealand's immediate region and further afield, and across the spectrum of tasks. Government will maintain a high level of discretion as to the size and nature of New Zealand's contributions to such operations outside New Zealand's immediate neighbourhood. Decisions on such operations will consider New Zealand's national security interests, New Zealand's international relationships, and the threats associated with any deployment.

Principal roles of the Defence Force

177. The principal roles of the Defence Force are enduring, but are also calibrated to Government's priorities and New Zealand's changing strategic environment. These principal roles are to:

    177.1. Defend New Zealand's sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication

    177.2. Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives

    177.3. Meet New Zealand's commitments to its allies and partners

    177.4. Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean

    177.5. Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience

    177.6. Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements

    177.7. Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order

    177.8. Contribute to advancing New Zealand's international relationships

    177.9. Work with other agencies to monitor and understand New Zealand's strategic environment

    177.10. Be prepared to respond to sudden shifts in the strategic environment

178. Together, the Defence priorities and principal roles describe Government's expectations for the Defence Force's ability to operate. Government's decisions about where to deploy the Defence Force and types of missions to be undertaken within these priorities and roles will be determined in practice by local, national, and global events.

The Defence Force must be able to operate effectively with New Zealand's key security partners, including with our ally Australia and our other Five Eyes partners.

Defending New Zealand's sovereignty, territory, and critical lines of communication

179. Government expects the Defence Force to be able to detect, deter and counter aggression against New Zealand's sovereignty and territory, enlarge its forces if required, and provide sufficient time for New Zealand to seek assistance from its international security partners, should the need arise.

180. Defending New Zealand as well as the Cook Islands, Niue and Tokelau requires the Defence Force to contribute to the protection of New Zealand's borders and resources. This protection includes contributions to New Zealand's awareness of activities in its expansive maritime domain and by responding to identified threats. These contributions by Defence will become more important over coming years with expected increased pressure on New Zealand's domain from a range of threat actors.

181. The Defence Force is also expected to play an important role in protecting New Zealand's connections to the rest of the world, both physical and electronic. Closer to home, this could include leading operations to respond to threats to shipping; further afield the Defence Force is expected to be able to contribute to international efforts to combat such threats.

182. New Zealand's security and prosperity require reliable electronic communications links, both terrestrial and space-based. The Defence Force is expected to be able to work alongside other agencies and New Zealand's international partners to promote cyber security and resilient access to space-based systems.

Contributing to national, community and environmental wellbeing and resilience

183. The Defence Force plays an important role, alongside a range of other Government agencies, in supporting New Zealand's overall wellbeing and resilience. Government expects the Defence Force to be prepared to contribute capabilities to whole-of-government responses to a range of hazards and threats.

184. The impacts of climate change, including more frequent extreme weather events, will likely see increasing requirements for Defence Force support to domestic civil defence emergency management planning and responses, both proactive and reactive. Climate change may also lead to more extensive Defence Force support for the Government's conservation, environmental protection, and biosecurity efforts.

185. The Defence Force plays an important role in supporting the New Zealand Police to respond to a range of domestic emergencies. This support extends from search and rescue on both land and water, through to assisting Police's counter-terrorism activities. The Defence Force is also responsible for conducting explosive ordnance disposal (removing potentially hazardous ordnance from the community), and enhancing security at events that contribute to the social and economic wellbeing of communities. Additionally, Defence supports Police and other agencies, when requested, by providing specialist underwater search capability.

186. Through programmes such as the Limited Service Volunteers and the Cadet Forces, Defence motivates New Zealand's youth and provides life and employment skills. This bolsters individuals' prospects at critical points in their life paths and broadly contributes to community wellbeing. These programmes support the Government's broader efforts to manage social challenges and mitigate future requirements for Government interventions.

Climate change may also lead to more extensive Defence Force support for the Government's conservation, environmental protection, and biosecurity efforts.

Meeting New Zealand's commitments to its allies and partners

187. New Zealand's relationship with our ally Australia is reflected in the Closer Defence Relations mechanism, which brings together a suite of defence-specific agreements and relationships. But the relationship is more than the sum of its parts. New Zealand sees Australia not only as an ally, but a close friend and confidante. New Zealand is therefore committed to:

    187.1. Responding in the event of a direct military attack on Australia

    187.2. Promoting interoperability between the two militaries

    187.3. Developing relationships with the Australian Department of Defence and Defence Force at every level

    187.4. Maintaining the levels of capability it needs to work with Australia as part of a coordinated response on regional security issues, or lead an independent operation in support of shared interests in the region

188. Increasing threats to regional and global security are already affecting New Zealand, Australia and our close partners. In this context, interoperability, combined exercises, capability development, defence diplomacy, intelligence sharing and personnel exchanges with close partners are fundamental to the Defence Force's operating model and critical to our security.

Supporting New Zealand's Antarctic presence, and operating in the Southern Ocean

189. New Zealand has a direct interest in stability on the Antarctic continent and in the Southern Ocean. It has a responsibility to contribute to that stability. The Defence Force has a critical role in supporting New Zealand's presence and interests in the region.

190. The Antarctic Treaty System prohibits military activity in Antarctica, but does allow militaries to carry out non-military tasks in support of civilian activities. The Defence Force provides logistics and other support that is critical to the operation of Scott Base. Through the Joint Logistics Pool, it contributes to the effectiveness of the New Zealand and United States programmes. Support is also provided to the Italian Antarctic programme.

191. New Zealand's responsibilities in the Southern Ocean include coordination of search and rescue activities in the Ross Sea, as well as detecting and responding to illegal, unregulated and unreported fishing. The Defence Force maintains capabilities on behalf of the Government that are able to operate in these distant and harsh environments. The declaration of the Ross Sea Marine Protected Area highlights the importance of Defence Force activities – notably maritime surveillance and patrol – in support of agencies like the Ministry for Primary Industries and the Ministry of Foreign Affairs and Trade in meeting these responsibilities.

Conducting a broad range of operations in the Pacific

192. New Zealand is a Pacific country, linked by history, culture, politics and demographics to the Pacific Islands. New Zealand Government agencies are intensively engaged in the Pacific. This is in recognition that instability in the South Pacific could have direct impacts on New Zealand's security and wellbeing. The Government has this year announced its "Pacific Reset" – an updated overall approach to the Pacific that recognises the changing nature of the challenges facing the Pacific Islands and the requirement that New Zealand enhance its contribution.

193. The Defence Force contributes to New Zealand's interests in the Pacific across a broad spectrum of activities, including:

    193.1. Contributing to stability and peace support operations

    193.2. Contributing to international and whole-of-government development and capacity building efforts (for example, supporting the professional development of Pacific defence and security forces as part of the Mutual Assistance Programme)

    193.3. Assisting Pacific Island states to monitor and respond to activity in their maritime domains, including maritime surveillance, search and rescue and countering illegal activities and

    193.4. Contributing to humanitarian assistance and disaster relief operations

194. The increasing stresses and challenges facing Pacific Island countries, including the impacts of climate change, will likely lead to increasing requirements for Defence Force operations in the Pacific. The Defence Force must be prepared both to operate independently in the Pacific, and to lead operations with other Government agencies and alongside Australia, international partners, and other states with Pacific interests.

The increasing stresses and challenges facing Pacific Island countries, including the impacts of climate change, will likely lead to increasing requirements for Defence Force operations in the Pacific.

Supporting peace and security in the Asia-Pacific region

195. New Zealand's security interests are centred in the broader Asia-Pacific, a diverse region that is facing a range of acute challenges and going through a period of potentially fundamental change. Given the importance of this region to New Zealand, the Government's primary focus is on supporting regional peace and security by developing relationships with countries, and on contributing to the strength of regional security arrangements and architecture. In the event of conflict, the Government would consider a Defence contribution as part of a broader international response.

196. New Zealand has a long history of defence and security engagement with states in this region. New Zealand is, for example, a longstanding member of the Five Power Defence Arrangements, and will meet its commitments should Malaysia or Singapore be subject to a military attack.

197. In addition to exercising and training with regional armed forces, the Defence Force undertakes capacity building for militaries in the Asia-Pacific through its Mutual Assistance Programme.

198. The Defence Force also supports New Zealand's efforts to uphold regional peace and security by being willing and able to assist, alongside a range of partners, in times of natural or humanitarian disasters, such as the 2004 Indian Ocean earthquake and tsunami.

199. The Defence Force and the Ministry of Defence participate in regional security mechanisms, of which ASEAN forms the core. Since 2010, these arrangements have been strengthened with the establishment of the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus), which is Defence's priority for engagement in ASEAN-centric forums and includes a range of countries beyond Southeast Asia including Australia, China, India, Russia and the United States.

200. These meetings help to mitigate the risk of regional conflict by bringing states together, entrenching habits of dialogue and encouraging practical military cooperation on issues such as maritime security, disaster relief and counter-terrorism.

201. Defence's participation in these mechanisms also supports the other roles the Government expects of it, including the advancement of security partnerships and contributing to the rules-based order. The Defence contribution to New Zealand's support for Asia-Pacific regional arrangements will become increasingly important as the region changes.

Contributing to international peace and security and the international rules-based order

202. New Zealand actively supports the international rules-based order through its support for institutions and arrangements that reinforce global security, including the United Nations, in alignment with New Zealand's values.

203. New Zealand has a long history of contributing to a range of United Nations peacekeeping operations, and recently served a term on the United Nations Security Council. New Zealand's contribution to the United Nations Truce Supervision Organization, the United Nations Command Military Armistice Commission in the Republic of Korea, and its more recent involvement in United Nations operations in South Sudan all demonstrate this long-standing support.

204. Defence Force deployments to Afghanistan, its contribution to multinational counter-piracy operations, and the international building partner capacity mission in Iraq are further examples of New Zealand's commitment to international peace and security.

205. As a beneficiary of the international rules-based order, New Zealand will continue to support international peace and security through a range of Defence activities. Government decisions on such contributions will balance New Zealand's interests, values and international commitments with the likely risks and outcomes.

206. The changing global landscape and ongoing developments in military-relevant technologies will have implications for the nature and type of operations to which the Defence Force may be asked to contribute. It will likely need to deal with increasingly complex demands and higher threat environments.

As a beneficiary of the rules-based order, New Zealand will continue to support international peace and security through a range of Defence activities.

Contributing to New Zealand's international relationships

207. New Zealand's security and prosperity depend on its relationships with other states. Defence and security engagement are important aspects of these relationships, building trust and confidence that can have broader benefits.

208. Many of New Zealand's closest defence relationships have been forged over long periods of operating together, in recent times from Iraq to Afghanistan and nearer to home in Timor-Leste and the Solomon Islands. Outside of an operational context, both the Defence Force and the Ministry of Defence play a role, alongside the Ministry of Foreign Affairs and Trade and a range of other Government agencies, in advancing New Zealand's international relationships.

209. The nature and extent of New Zealand's defence relationships vary. Many feature a mix of engagement activities including annual dialogues between senior officials, exchanges of defence personnel, combined military exercises, high-level visits, and information sharing. These activities are supplemented by a network of Defence Attachés and Defence staff who represent New Zealand overseas.

210. The changing strategic environment will require the Defence Force and the Ministry of Defence to build and maintain a more diverse and challenging set of relationships, to ensure New Zealand is best able to contribute to international peace and security and advance New Zealand's national interests.

Monitoring New Zealand's strategic environment

211. New Zealand builds its understanding of its strategic environment in a range of ways, from accessing open source information through diplomatic reporting to the collection and assessment of intelligence. Defence plays an important role alongside other agencies in building this understanding, through both its own capabilities and via its international relationships. This understanding is critical to ensure Government decision-making on Defence matters – including on Defence policy and capabilities – is well informed.

212. On behalf of the Government, the Defence Force operates capabilities that provide unique contributions to New Zealand's understanding of its environment. Defence's ability to support understanding of our expansive maritime domain is becoming increasingly important for responding to threats and challenges, including search and rescue, biosecurity, border security, and resource protection.

213. New Zealand's international partners also place great value on Defence's ability to contribute to collective understanding of the global environment.

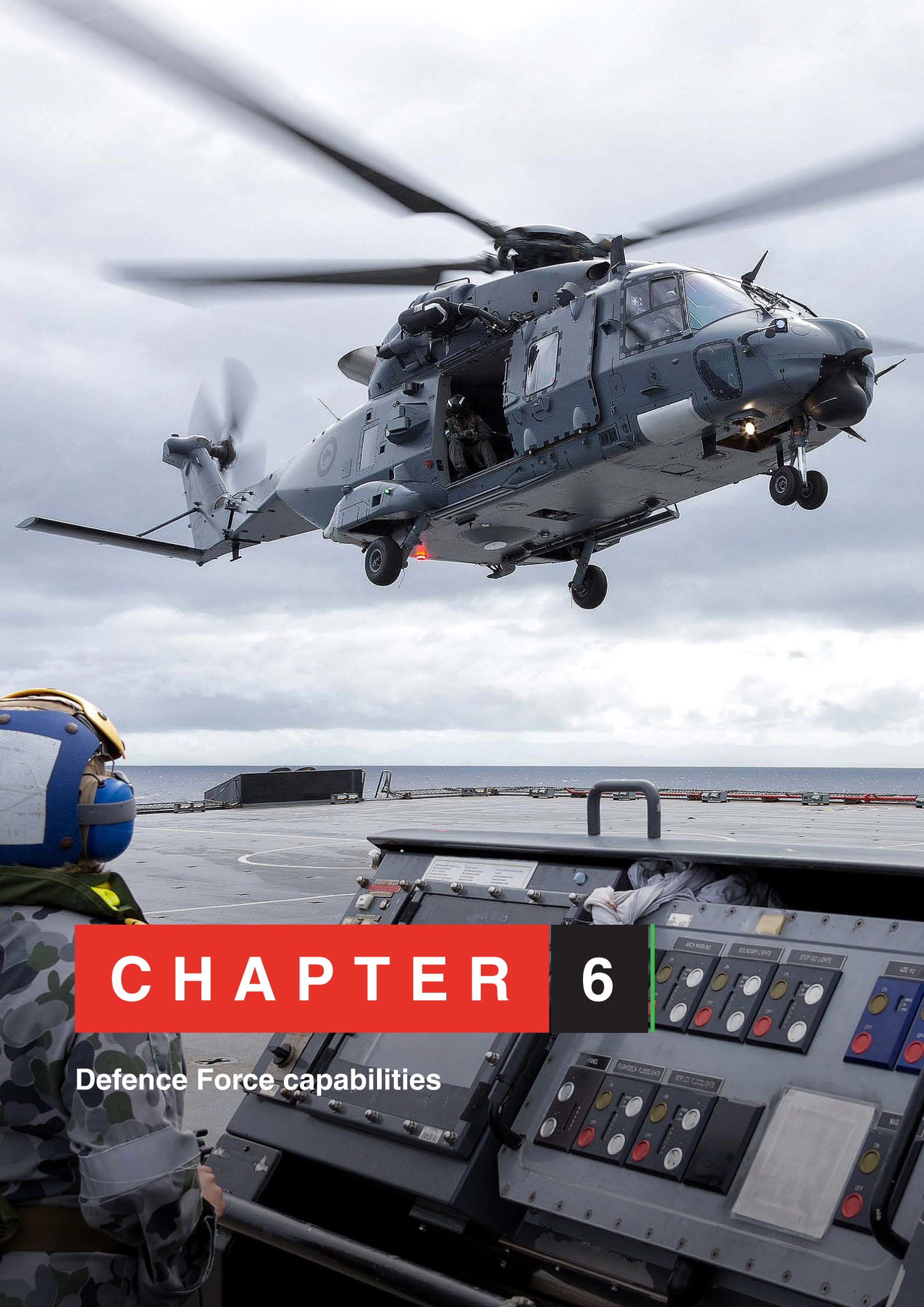
Responding to shifts in the strategic environment

214. The global strategic environment is in transition, with major shifts in power balances and the increasing impact of disruptive forces. Strategic shocks may occur. Defence must be well-positioned to respond and be able to continue to support Government objectives; it therefore needs to have adaptive, innovative people, robust and resilient infrastructure, and flexible capabilities with broad utility.

215. Defence must, alongside other Government agencies, support New Zealand's international relationships to ensure New Zealand is able to contribute to shaping the international landscape in line with New Zealand's values and interests.

216. Defence must continue to be alert to changes in New Zealand's strategic environment and respond by examining policy settings and operational activities, to ensure it is best prepared to support New Zealand's security and prosperity.

Defence's ability to support understanding of our expansive maritime domain is becoming increasingly important for responding to threats and challenges.



CHAPTER 6

Defence Force capabilities

217. Capability is considered holistically and includes people, research and development, infrastructure, systems and technologies, equipment, platforms, and logistics.

218. This chapter sets out at a high level the Defence Force's current force structure, the changing drivers and demands for Defence Force capabilities, and identifies some areas in which examination of capability enhancements will be required. More detailed capability requirements to satisfy New Zealand's Defence policy settings will be developed in the context of the *Defence Capability Plan Review 2018*.

Current and planned Defence Force capabilities

219. The roles that the Government requires the Defence Force to fulfil, as described in the previous chapter, determine the capabilities the Defence Force must develop and maintain. The scope of these roles requires the Defence Force to possess a broad range of capabilities that enable both independent operations and the ability to integrate into coalition environments.

220. This section provides a high-level overview of the Defence Force's existing capabilities and the capability investments and enhancements currently underway.

Combat capable

221. The core task of the Defence Force is to conduct military operations, in particular combat operations. The Defence Force maintains a range of capabilities for the delivery of combat effects on both land and at sea to enable it to defend New Zealand's sovereignty, meet New Zealand's commitments to allies and partners, respond to security events in New Zealand's neighbourhood, and contribute to international peace and security further afield.

222. To ensure these combat forces are able to carry out their missions effectively, Defence Force personnel must be appropriately trained and equipped for the likely threats they will face as well as to ensure New Zealand's contributions to multinational operations are credible and valuable.

223. Well-trained and operationally prepared ground forces provide effective land combat capabilities that the Government can deploy for a wide range of tasks, either independently or as part of a multinational force. These land force elements are flexible and can be configured to respond to tasks ranging from humanitarian support through to combat in the form of a combined arms task group that includes infantry, artillery and Light Armoured Vehicles.

224. New Zealand Special Operations Forces maintain a high state of readiness to inform or resolve contingencies that are of significant importance for New Zealand. These forces are trained and equipped to conduct special operations independently or as part of a multinational coalition, and are able to do so discreetly or visibly. Special Operations Forces are innovative, adaptive and agile but generalist. These forces are able to support other Defence Force elements and other Government agencies nationally, in New Zealand's neighbourhood and further afield.

225. At sea, New Zealand's ANZAC frigates – together with supporting elements such as maritime replenishment – are able to operate across the spectrum of operations from constabulary and humanitarian tasks, to combat roles as part of multinational coalitions. The frigates can also protect other vessels, and their embarked helicopters provide extended reach, surveillance and air-delivered combat effects.

226. The P-3 Orion maritime patrol aircraft provide a key maritime combat capability that can also support other Government agencies on a range of domestic contingencies, such as search and rescue and disaster relief. These aircraft enable the Government to offer a highly valued capability to international coalition operations. Work is underway to upgrade the Orion's underwater intelligence, reconnaissance and surveillance capabilities. A proposal to replace these aircraft with a new maritime patrol aircraft, which will continue to have benefit of the upgraded systems, is being considered by Cabinet this year.

The scope of these roles requires the Defence Force to possess a broad range of capabilities that enable both independent operations and the ability to integrate into coalition environments.

Expeditionary

227. The Defence Force must be sufficiently self-reliant that it can conduct independent operations in and around New Zealand, from Antarctica to the South Pacific. This includes the ability to conduct a range of patrol operations in New Zealand's expansive maritime domain, conduct sealift and airlift in support of operations from disaster relief to security and stabilisation operations in the South Pacific, and support New Zealand's civilian presence in Antarctica.

228. New Zealand's national interests extend beyond our region – they are global. The Defence Force must also be able to operate and deliver a range of effects far from New Zealand's shores, and have sufficient capability depth to sustain these operations to meet the Government's requirements.

229. The HMNZS Canterbury provides a sealift capability that enables the Defence Force to deploy personnel, vehicles, helicopters and stores.

230. The Defence Force's fleet tanker HMNZS Endeavour has recently been retired, and its replacement, HMNZS Aotearoa, is currently under construction. Once in service, this new vessel will provide New Zealand with an ice-strengthened maritime sustainment capability that can be used to support a range of operations globally, from replenishment at sea of deployed naval combat forces, through enabling joint force operations, to supporting New Zealand Government activities in Antarctica and the Southern Ocean.

231. The Defence Force fields tactical and strategic airlift capabilities to support the movement of personnel and equipment. The C-130 Hercules and the B757 provide a key airlift capability for the deployment of personnel and equipment for the Defence Force within New Zealand's immediate region and further afield.

New Zealand's national interests extend beyond our region – they are global. The Defence Force must also be able to operate and deliver a range of effects far from New Zealand's shores.

232. Defence Force air transport capabilities enable it to support New Zealand's interests in Antarctica, particularly through their contribution to the New Zealand, United States and Italian Antarctic programmes as part of the Joint Logistics Pool.

233. Utility helicopters provides logistics support, including troop transport and sustainment. The NH90 medium utility helicopter provides the backbone of the Defence Force's tactical rotary transport capability. The A109 helicopters provide a combined rotary wing pilot training and light transport capability to support a range of Government agencies. The A109s also can support domestic counter-terrorism activities and Special Operations Forces.

234. The Defence Force's fleet of patrol vessels and aircraft enables the Defence Force to deliver a range of effects, including in support of other agencies, in New Zealand's expansive maritime domain. This includes fisheries patrols from the Southern Ocean to the South Pacific, transport of personnel and equipment to offshore islands, the protection of New Zealand's border and resources, and contributions in support of regional security. A project to acquire an ice-strengthened ocean patrol vessel is currently underway, as is a project to equip the patrol vessels with a ship-borne remotely piloted surveillance system.

Information led

235. Managing and effectively using information is fundamental to Defence Force operations. The Defence Force needs to be able to gather and analyse information from a range of sources, and share that information with the right people – including other agencies – to ensure its effectiveness.

236. The P-3 Orion maritime patrol aircraft provide a wide area surveillance capability that is critical to maintaining awareness of activities in New Zealand's maritime domain. A replacement capability would continue to provide that awareness for the Government.

237. New Zealand Special Operations Forces provide discreet reconnaissance and surveillance capabilities to inform Defence Force and Government decision-making. These forces are able to integrate with multinational coalition operations and are able to work in support of other Government agencies.

238. The Defence Force is establishing the infrastructure for a new Strategic Bearer Network that will provide satellite communications support to a number of capabilities including maritime patrol aircraft and frigates.

239. The Defence Force is also building an enhanced cyber protection and support capability to ensure the resilience of its information systems, and putting in place additional intelligence personnel to process, analyse and distribute information.

Interoperable

240. Whether at home or abroad, the Defence Force will most likely be operating alongside other Government agencies and New Zealand's international partners. The Defence Force must therefore maintain capabilities that enable it to work effectively with others, notably Australia and the other Five Eyes nations. This interoperability amplifies the Defence Force's ability to contribute to multinational operations and facilitates integration with partners' capabilities, to support New Zealand's national security objectives.

241. This interoperability involves the development and deployment of complementary capabilities as appropriate, ensuring mutual familiarity at the personnel level (developed through personnel exchanges and exercising), and compatibility of communications systems.

Flexible

242. Flexibility in capability terms has several important facets. Given the breadth of the roles required of the Defence Force, individual Defence Force capabilities must, in general, be applicable to a range of tasks. This aspect of flexibility enables the Defence Force contributions to New Zealand's national resilience.

243. The Defence Force itself must be ready to react rapidly to developing situations, including by moving forces into (and within) areas quickly. Defence procurement must adapt quickly to changing operational requirements and keep pace with advances in technology.

Planned capability enhancements

244. On an ongoing basis, Defence manages a set of programmes to modernise Defence Force capabilities and ensure the Defence Force is able to operate effectively. These include projects to upgrade combat and communications systems on ships and aircraft, ensure land force elements have access to modern equipment, systems and weaponry (such as the Network Enabled Army project), and maintain the effectiveness of Defence Force communications networks.

Capability challenges

Increasing demands for Defence Force activities in our neighbourhood

245. Chapters Three, Four, and Five set out the drivers for increases in the scale, scope, and frequency for Defence Force activities in New Zealand's neighbourhood from Antarctica through to the South Pacific. The underlying drivers for these increases include climate change, resource competition, the increasing presence of malign non-state and transnational actors, as well as the increasing presence and influence of new partners.

246. In coming years the Defence Force will very likely be called upon to undertake an increasing number of routine and non-routine interventions in New Zealand's neighbourhood to protect and promote New Zealand's national security and foreign policy interests. This will likely include increased resource protection activities, more frequent and more complex disaster relief operations in the Pacific, more demanding peace and stability operations, and more regular engagements with regional security partners. Underpinning these interventions will be an increasing requirement to monitor and understand activities in this region.

247. This increasing number of activities will not necessarily require a significant change in the nature of Defence Force capabilities, but meeting these requirements, particularly in terms of concurrency and sustainment, will be increasingly challenging.

Maintaining interoperability and military effectiveness

248. Interoperability with our traditional partners is a critical strategic imperative for the Defence Force. The updated principal roles reaffirm this requirement for the Defence Force. Advances in technology and the military capabilities being brought into service by Defence partners will have significant interoperability implications for New Zealand's decisions around Defence capabilities. In general, keeping in line with New Zealand's partners will increasingly require more sophisticated platforms and enabling infrastructure.

249. Similarly, the environments into which the Defence Force deploys are becoming more complex, with more capable threat actors that are increasingly using a range of technologies in novel and challenging ways. Maintaining operational effectiveness and mitigating threats to personnel in these environments is becoming more challenging.

Defence procurement must adapt quickly to changing operational requirements and keep pace with advances in technology.

Managing major platform replacement

250. A number of the Defence Force's major capability platforms are at or approaching the end of their service. Managing the retirement of these platforms and introducing replacement capabilities is already and will continue to be a major Defence focus in coming years.

251. The Defence Force's fleet tanker HMNZS Endeavour has recently been retired, and its replacement, HMNZS Aotearoa, is currently under construction.

252. The Defence Force's dive tender HMNZS Manawanui has also been recently retired, as was the hydrographic survey ship HMNZS Resolution in 2012. Defence is working toward a diving and hydrographic support capability to replace these vessels.

253. Cabinet will decide on replacing the Defence Force's P-3 Orion maritime patrol aircraft capability. Defence is also in the process of examining options for replacing the Defence Force's C-130 and B757 transport aircraft.

254. Looking further out, the ANZAC frigates, which comprise the Defence Force's naval surface combat capability, will be due for retirement in the late 2020s to early 2030s.

255. Separate from these major capability decisions, Defence must continue to modernise the equipment available to the Defence Force to ensure mission effectiveness. Defence must also ensure the infrastructure in place in New Zealand is appropriate for the tasks the Government requires of the Defence Force.

Particular capability requirements

Maritime domain awareness and response

256. As previously noted, over coming years New Zealand will very likely face increasingly challenging requirements to identify, characterise and respond to activity in its expansive maritime domain, encompassing waters from Antarctica to the South Pacific. Government will expect Defence to contribute to meeting these requirements, from supporting search and rescue efforts through to countering overtly hostile non-state and potentially state actors.

Interoperability with our traditional partners is a critical strategic imperative for the Defence Force.

257. The Defence Force will also likely continue to be called on to support maritime security further afield – as it has recently with the deployment of P-3 Orion maritime patrol aircraft to the Indian Ocean region – both to ensure the security of New Zealand's lines of communication and to contribute to international peace and security.

258. Delivering against these requirements will likely mean a layered approach to characterise potential threats and best target interventions. Such an approach would bring together New Zealand and partner naval, air and space assets, fixed infrastructure, and enhanced data processing and analytical capabilities. Defence will need to examine its mix of capabilities to ensure it is best placed to contribute to delivering against Government's priorities.

A Defence contribution to New Zealand's secure access to space systems

259. New Zealand's secure access to space-based systems will depend on the development of international norms that influence behaviour in space. A rules-based approach that promotes the responsible use of space by all nations supports the protection of New Zealand's interests, and matches our broader interest in reinforcing the international rules-based order.

260. New Zealand is developing its national space policy, and Defence has an important role to play in this process. Defence also supports the promotion of New Zealand's interests through its engagement on space issues with a range of international partners, most notably via the Combined Space Operations initiative and the Schriever Wargame, which involve Five Eyes states as well as France and Germany. As New Zealand's Defence partners move towards closer interoperability in space, Defence must ensure it has the right people with the right expertise to contribute domestically and internationally on these issues.

261. Given the importance of access to space-based systems for New Zealand's security and prosperity, Defence should also:

    261.1. Explore how space capabilities could be developed and used as part of its capability mix, including as a contribution to New Zealand's security partnerships

    261.2. Ensure the Defence Force is able to continue to operate effectively in space-denied or degraded environments. Space capabilities to be examined could include supporting communications or maritime surveillance, or the ability to contribute Defence staff to support partners' capabilities that benefit New Zealand

Enhanced Defence cyber capabilities

262. Across all the tasks required of it by Government, the Defence Force will face an increasing cyber threat and environments in which cyber activities are increasingly part of day-to-day military activity. Even non-operational activities will be subject to cyber threats, as the number of state and non-state actors with cyber capabilities of increasing sophistication grows. The *Defence White Paper 2016* set out an increased capability for protecting Defence's networks, but did not expand the range of cyber activities Defence was to be able to undertake.

263. To maintain relevant combat capabilities, including interoperability with close partners, into the future the Defence Force needs to be able to conduct a broader range of cyber operations. This would provide military commanders with a broader set of tools to achieve military objectives and respond to activities that threaten both New Zealand's security and the safety of Defence Force personnel. Such Defence cyber capabilities would not replicate the functions delivered by the Government Communications Security Bureau. Defence will develop the required policy and legal frameworks to ensure lawful and effective use of these capabilities in collaboration with relevant domestic agencies.

Review of the Defence Capability Plan

264. More detailed capability requirements to satisfy the *Strategic Defence Policy Statement 2018* and the financial implications will be developed in the context of the *Defence Capability Plan Review 2018* to be undertaken in the second half of 2018.

Conclusion

265. To meet Government's requirements, the Defence Force will continue to need a mix of capabilities with broad utility. In addition to delivering tasks in support of national resilience in New Zealand's territory and neighbourhood, the Defence Force will also need capabilities that enable it to remain relevant and make credible contributions to international efforts in support of peace and security.

Approach

The *Strategic Defence Policy Statement 2018* has been prepared by the Ministry of Defence, in consultation with the New Zealand Defence Force. The review process has been guided by a cross-agency Chief Executive Governance Group chaired by the Ministry of Defence and NZDF and whose members include the chief executives of the Ministry of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet, and representation from the Treasury. Throughout this process, the Review Director and team have been advised by two groups – an internal Defence advisory group, and an advisory group consisting of stakeholder agencies, including the Ministry of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet, the Ministry of Civil Defence and Emergency Management, the Treasury, the State Services Commission, the Ministry for Primary Industries, Customs New Zealand, the New Zealand Police and the Ministry of Business, Innovation and Employment. Both advisory groups have provided subject matter input and expertise throughout the review process. *The Strategic Defence Policy Statement 2018* was approved by Cabinet in May 2018.

To maintain relevant combat capabilities into the future the Defence Force needs to be able to conduct a broader range of cyber operations