

New Zealand's Future Defence Force: Change or Stagnation?

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The strategic environment of the period to 2020 is likely to be characterised by the same issues that have emerged since the end of the Cold War, including terrorism, globalisation, the Revolution in Military Affairs, and the proliferation of Weapons of Mass Destruction. The New Zealand Defence Force (NZDF) will have difficulties fulfilling policy objectives in this environment. Several recommendations, oriented towards likely land-based tasks, would improve the NZDF's performance. However, they are unlikely to be adopted due to resource constraints and structural barriers.

This article examines the development of the New Zealand Defence Force (NZDF) to 2020.¹ It analyses the current and future strategic environment, both globally and more specifically as it affects New Zealand, and from this identifies likely future military tasks. It then assesses the capability of the NZDF to achieve defence policy goals in this environment, and identifies areas where there are shortfalls in this regard. It looks at the current force structure plans of the NZDF and suggests a set of recommendations aimed at improving them. It also identifies barriers to the implementation of these improvements, and suggests ways in which they might be overcome.

Two points should be emphasised at the outset. First, the recommendations are oriented towards achieving stated defence policy goals in an evolving environment. There is no attempt to suggest different policy goals, which is a question for the government. Second, the article focuses on major elements of the force structure, rather than internal efficiency, modifications to personnel practises, and changes to the policymaking system.

An Evolving Strategic Environment

The starting point for an analysis of future force structure requirements for the NZDF is the external strategic environment, and the broad issues that will shape the character of conflict. Since the end of the Cold War, much has changed around the world. Every corner of the globe has been touched by violence: there have been terrorist attacks in the United States, vicious ethnic conflicts in Central Europe, mass slaughters in Africa, and even bloody civil disturbances in the South Pacific, a region once noted for its peaceful nature. A range of issues have been important in causing and shaping conflict. These include terrorism, globalisation, resource issues, the

¹ This article builds on my PhD thesis, *Facing New Challenges: Adapting The NZDF And ADF To The Post-Cold War Security Environment*, especially Chapters Two and Nine.

role of the media, the proliferation of Weapons of Mass Destruction (WMD), and the Revolution in Military Affairs (RMA). These issues will continue to be of importance into the future.

The post-Cold War world has seen a rise in the severity, if not necessarily the frequency, of terrorism.² The average number of deaths per terrorist event climbed steadily through the 1990s, eventually peaking with the 9/11 attacks in late 2001. Since then there have been further attacks in Bali, Moscow, Madrid and London, resulting in a new era of fear and doubt about terrorism, and stretching the capabilities of traditional law enforcement agencies. It is likely that terrorism will continue to be an important security issue in the period to 2020, as the various grievances that motivate terrorist groups, especially in the Middle East, are unlikely to disappear. There is also the prospect, described later in greater detail, that terrorist groups might gain access to WMD and launch an extremely-high-casualty attack on a Western nation.

A second issue of importance is globalization,³ which can be briefly defined as the way technology has shrunk the world, allowing the increasingly free flow of people, capital and information. Globalisation has been perceived as a factor in causing and shaping conflicts around the world, although the jury is still out on its overall impact. Globalisation can cause culture clash, and exacerbate social divisions. It has also weakened inter-state barriers, which enhances trade but also means that various security threats, such as criminal organisations, cannot be easily confined to a single state. Although there are signs that some countries are moving to tighten their borders, globalisation is only likely to increase in the future. Also likely to increase is the trend towards intervention in the affairs of sovereign states, especially when justified by 'human rights' or a similar rationale. There are two possibilities from this increased globalisation: first, that it will reduce conflict

² Regarding terrorism, see: John Davis, (ed.), *The Global War on Terrorism: Assessing the American Response*. New York, Nova Science, 2004; Volker Franke, (ed.), *Terrorism and Peacekeeping: New Security Challenges*. Westport, Praeger, 2005; Russell Howard and Reid Sawyer, (eds.), *Terrorism and Counterterrorism: Understanding the New Security Environment*. Guilford, McGraw-Hill/Dushkin, 2004; Eric Larson and John Peters, *Preparing the US Army for Homeland Security: Concepts, Issues and Options*, Santa Monica, RAND, 2001; Roger Medd and Frank Goldstein, 'International Terrorism on the Eve of a New Millennium', *Studies in Conflict and Terrorism*, vol. 20, no. 3, July/September 1997; William Schilling, (ed.), *Nontraditional Warfare: Twenty-First-Century Threats and Responses*. Dulles, Brassey's, 2002.

³ Regarding globalisation, see: Dietrich Jung, (ed.), *Shadow Globalization, Ethnic Conflicts, and New Wars: A political economy of intra-state war*. London, Routledge, 2003; Douglas MacGregor, *Transformation Under Fire: Revolutionizing How America Fights*, Westport, Praeger, 2003; Charles Moskos, John Williams, and David Segal, (eds.), *The Postmodern Military: Armed Forces after the Cold War*. New York, Oxford University Press, 2000; Robert Patman, (ed.), *Security in a Post-Cold War World*. Basingstoke, Macmillan, 1999; Yahya Sadowski, *The Myth of Global Chaos*, Washington, Brookings Institution, 1998; Peter Schoettle, 'Key Geostrategic Trends: A Cloudy Crystal Ball', *Naval War College Review*, vol. 48, no. 1, Winter 1995; John Stack Jnr and Lui Hebron, (eds.), *The Ethnic Entanglement: Conflict and Intervention in World Politics*. Westport, Praeger, 1999.

as the world becomes increasingly integrated, or secondly, that it will stimulate conflicts to develop, especially between those 'left out' by globalisation and those that have secured its benefits.

A third issue is that of resource and environmental pressures.⁴ There has been an increased public awareness of the environment since the 1980s. In parallel, conflicts over resources have developed, notably the civil war in Bougainville. Seabed resources, such as oil and natural gas, have been at the root of tension in areas as diverse as the South China Sea and Northern Europe. There are already water shortages in the Middle East, leading to a potential for future conflict over trans-border flows. Conflicts over resources could occur directly from shortages, due to the societal impact of the resource extraction, or possibly even through a public backlash against governmental attempts to reduce resource consumption. Given the non-renewable nature of most resources, and the fact that global population growth continues relatively unabated, it seems highly probable that resource issues will become increasingly important in the course of time. Some have called the 20th century the 'Century of Oil'; the 21st century may well be the 'Century of Water'. Both interstate wars and intrastate conflicts might erupt from resource-related crises.

A further factor shaping the security environment is the role of the media. In recent times, media have become parties to conflict, a shaper of the responses to conflict,⁵ and even the stimulus for withdrawal from a military operation, as in Somalia. They have also imposed restrictions on militaries in regards to both casualties and conduct, as coverage has become incessant. The role of the media in war is likely to grow in the future. Technology will enhance coverage and media attention to casualties will likely make governments and commanders increasingly cautious. At the same time, the prospect of media scrutiny will likely make it more difficult for militaries to undertake potentially unpopular actions.

The proliferation of WMD has been, and will continue to be, a matter of some concern to security planners.⁶ Both chemical and biological weapons

⁴ Regarding environmental issues, see: Jeremy Black, *War in the New Century*, London, Continuum, 2001; John Gittings and Ian Davis, (eds.), *Britain in the 21st century: Rethinking defence and foreign policy*. Nottingham, Spokesman, 1996; M. Renner, 'Fighting for Survival: Environmental Decline, Social Conflict, and the New Age of Insecurity', in Robert Patman (ed.), *Security in a Post-Cold War World*, Basingstoke, Macmillan, 1999; Terry Terriff et al., *Security Studies Today*, Cambridge, Polity Press, 1999.

⁵ Regarding the media, see: Theo Farrell, 'Humanitarian Intervention and Peace Operations', in John Baylis, et al. (eds.), *Strategy in the Contemporary World*, Oxford, Oxford University Press, 2002; Lawrence Freedman, 'The Changing Forms of Military Conflict', *Survival*, vol. 40, no. 4, Winter 1998-1999.

⁶ Regarding WMD, see: John Baylis et al., (eds.), *Strategy in the Contemporary World*. Oxford, Oxford University Press, 2002; Howard and Sawyer, (eds.), *Terrorism and Counterterrorism: Understanding the New Security Environment*; Schilling, (ed.), *Nontraditional Warfare: Twenty-First-Century Threats and Responses*.

have been used during the post-Cold War period by terrorist groups, albeit on a very small scale. There are frightening prospects of larger terrorist attacks, which might occur with little warning and cause massive casualties. Biological weapons are especially dangerous, as they are by nature self-perpetuating, and even a small amount can cause disproportionate casualties. There are major technical difficulties with using WMD, especially by non-state actors. However, the future will likely see an increasing threat in this area. Technology will continue to advance, making production and usage easier. And certain 'rogue' states, if feeling pressured, may be inclined to use such weapons themselves, or provide them to non-state actors.

Finally, the RMA is an issue deserving attention.⁷ It refers to the way in which militaries around the world have gained increasing capabilities in the field of precision strike and communications technology.⁸ The term 'transformation' is used to refer to the process of changing militaries to fit the RMA paradigm. Transformation, however, is not necessarily entirely positive. The high-tech nature of RMA-paradigm militaries produces new vulnerabilities.⁹ It is also questionable how effective RMA-paradigm forces are in non-conventional warfare. Another important issue is cost. RMA-paradigm equipment, the infrastructure required to connect it and the need to generate new doctrine, are all expensive. Embracing the RMA may mean foregoing other force structures, and if operations other than conventional warfare are the most common type of operations, adjusting to the RMA may actually be counterproductive. Nevertheless, militaries around the world, especially in the United States, are transforming.¹⁰ In the future, it is likely that in conventional warfare at least, transformed militaries will have a sizeable advantage over more conventionally structured forces. Military technology will continue to improve, making even greater capability gains possible.

Given the nature of the evolving strategic environment, it is possible to make a set of predictions about future conflict out to 2020.

- First, conventional warfare will not disappear, but it will become extremely rare. When it does occur, it will likely be asymmetric, and

⁷ Regarding the RMA, see: Lawrence Freedman, *The Cold War: A Military History*, London, Cassell, 2001; Colin Gray, *Strategy for Chaos*, London, Frank Cass, 2002; MacGregor Knox and Williamson Murray, (eds.), *The Dynamics of Military Revolution 1300-2050*. Cambridge, Cambridge University Press, 2001.

⁸ It is arguable whether a revolution has indeed occurred, is occurring, or will not occur. Few militaries around the world are transformed, and as such the RMA may exist only as a concept, rather than a physical reality.

⁹ Regarding RMA vulnerabilities, see: Black, *War in the New Century*; Colin Gray, 'The Changing Nature of Warfare?' *Naval War College Review*, vol. 49, no. 2, Spring 1996; Gray, *Strategy for Chaos*.

¹⁰ Richard Lacquement Jnr, *Shaping American Capabilities After the Cold War*, Westport, Praeger, 2003.

involve a transformed Western force against an overall less advanced opponent.

- Second, the majority of conflicts will be fought between non-state actors. These will often be ethnic conflicts, and will often be fought in urban environments. Political manoeuvring will likely be as important as battlefield manoeuvre.
- Third, the scale of conflict will likely remain low, bar the few conventional wars mentioned earlier. The lines between military and civil operations will blur even further, and the roles of the defence force and police may become increasingly intertwined.
- Fourth, land forces will be the dominant force. This is largely due to the likely intensity and nature of future conflicts. It is also due to the inherent flexibility of land forces in responding to changing circumstances. Air and naval combat forces will have reduced utility except in major conventional conflicts.
- Fifth, domestic restraints on military forces will increase. There will be little acceptance of misbehaviour or casualties, and reduced military autonomy.
- Finally, there will be increased number of interventions by the international community. Sovereignty will further decline in importance, and the frequency of peace support and humanitarian operations will increase.

The above sections have examined the global security environment, and the likely future shape of conflict. It is also necessary to examine likely developments in New Zealand's area of more direct interest, especially the South Pacific, and East and South-East Asia, in the period to 2020.

The frequency of civil disturbance in the South Pacific has risen considerably in recent years although it has seldom resulted in violence. The future may see more problems here, especially if economic stagnation continues. Most likely, there will be further problems in Papua New Guinea, the Solomon Islands, and East Timor. While Australia will likely play the lead role in Melanesia, if problems develop there will be heavy pressure on New Zealand to contribute.

The balance of power between China and the United States in the Pacific will be of prime importance. China's power is likely to increase, both in economic and military terms, and so will its level of assertiveness. It is questionable whether it will be content with the current status quo in East Asia, or whether it will seek territorial and other changes. In this context,

Japan must decide whether it is to retain its strongly pacifist attitude towards military matters, or become more assertive as well. There may thus develop a three-way contest for influence in the Pacific, which may well spill over into areas of direct interest to New Zealand, especially the island states. New Zealand may face pressure from Australia and the United States to rebuild the ANZUS alliance as a counterweight to these developing dynamics.

Economic growth will likely prove the dominant issue in South-East Asia, but there may be other developments. Indonesia may further disintegrate, or another country may experience civil disturbance, causing turmoil and potentially providing a breeding ground for terrorists. As such, there may well be requests for New Zealand to involve itself militarily, as it did in Cambodia. But it is unlikely that the military capabilities of these countries will increase greatly, and probable that Singapore, a close friend of New Zealand, will remain an important conventional power of the region.

The Structure of the NZDF

New Zealand's stated defence policy objectives are as follows:

- to defend New Zealand, and to protect its people, land, territorial waters, EEZ, natural resources and critical infrastructure;
- to meet our alliance commitments to Australia, by maintaining a close defence partnership in pursuit of common security interests;
- to assist in the maintenance of security in the South Pacific and to provide assistance to our Pacific neighbours;
- to play an appropriate role in the maintenance of security in the Asia-Pacific region, including meeting our obligations as a member of the FPDA;
- to contribute to global security and peacekeeping through participation in the full range of UN and other multilateral peace support and humanitarian relief operations.¹¹

To accomplish these tasks, New Zealand maintains an NZDF of 8600 Regulars, with two infantry battalions, two frigates, and various supporting force elements including five P-3 maritime surveillance and C-130 transport planes each. It is questionable whether these forces can adequately meet defence policy goals in the current environment, let alone in the near future. There are major shortcomings in the quality of equipment, the number of personnel maintained, and the level of readiness.

¹¹ New Zealand Government, *The Government's Defence Policy Framework*, Wellington, 2000, p. 4.

Since the end of the Cold War, relatively little has changed in the NZDF's force structure, despite the major changes in the security environment. It has lost its Air Combat Wing, and two of its four frigates, but these cuts were motivated by economic rather than strategic concerns. Its training and doctrine is still focused on conventional operations. It has not expanded its special forces. It has also avoided any major moves towards improving its expeditionary capability through the acquisition of sea and air-lift. Overall, it has been stuck in a rut of conservatism and continuity.

There are several reasons for this continuity. The defence budget has declined in real terms, leading to a reduced capability to test new concepts or expand various elements of the force. There have been internal issues as well, related to this resource scarcity, with elements of the bureaucracy and defence force more concerned with the retention of force elements than a true re-evaluation of defence needs. The executive has avoided direct intervention in strategy, preferring to concern itself largely with resourcing and financial management issues. There has been little public concern, or involvement by Parliament, in defence policy.¹² And there has been no threat to shake up this conservatism, no terrorist attack or similar, to stimulate thought as to whether New Zealand needs to change its defence force to meet the challenges of the evolving security environment.

New Zealand's force structure plans for the future can be derived from a number of recent official documents.¹³

- The largest programme, Project Protector, will see seven new ships enter into service. The largest will be a 9,000 tonne Multi-Role Vessel (MRV) armed with a 25mm cannon and capable of patrol and amphibious roles, including over-the-beach disembarkation. There will be two Offshore Patrol Vessels (OPVs), also armed with 25mm cannons, and designed to operate to the boundaries of New Zealand's EEZ, including the Ross Sea. Four Inshore Patrol Vessels (IPVs) round out the project. These are designed for short-range coastal patrolling. A key theme of Project Protector has been a whole of government approach, and the fleet will likely work closely with non-military departments of the government. It will, however, have restricted military capability.
- The RNZAF's fourteen Iroquois will be replaced with eight larger NH-90 helicopters. These helicopters will be substantially more capable

¹² The exception proving the rule being: New Zealand House of Representatives, *Inquiry into Defence Beyond 2000: Report of the Foreign Affairs, Defence and Trade Committee*, Wellington, August 1999.

¹³ New Zealand Government, *Defence Long-Term Development Plan*, Wellington, 27 May 2002; New Zealand Government, *Defence Long Term Development Plan - Update - June 2003*, Wellington, June 2003; New Zealand Government, *Defence Long Term Development Plan Update*, Wellington, November 2004.

individually, but there are questions about the total increase in effectiveness, given the overall decrease in helicopter numbers.

- A whole range of minor programmes, including modifications to the Boeing 757 aircraft, enhancements to the Mistral SAMs, IT integration of the command structure, and some engineering equipment for the Army, will be completed in 2006 and 2007.
- The Defence Sustainability Initiative will increase personnel numbers by some 2000 over the next decade.¹⁴ This will not, however, involve additional operational elements. Rather, it will aim to fill out units that have long been under establishment, and thus remove hollowness from the force.

Apart from the above, there is nothing else on the horizon for the NZDF in the next decade or so.¹⁵ The re-equipment of the NZDF, which began in roughly 1999, will be completed by 2008. The end result of these programmes will be an NZDF largely similar to its current state, slightly enlarged, and with enhanced naval forces. It will still not be able to adequately fulfil the government's stated defence policy goals in the changed circumstances of the future strategic environment. Seven patrol vessels may struggle to adequately protect New Zealand's EEZ as resource pressures increase. If instability in the South Pacific and South-East Asia increases, the demands for the NZDF to do something may well exceed its capabilities and it will be able to make only a token gesture. And, largely due to technical and capability divergence, its ability to meet its alliance commitments with Australia will also decline. Even in peace support, an area in which New Zealand prides itself, the NZDF may struggle to make meaningful contributions to the likely more dangerous and intense operations of the near future.

Force Structure Recommendations

In order to better meet defence policy objectives in the period to 2020, several recommendations regarding the NZDF's future force structure can be made. These would better fit the NZDF to likely future tasks: low-intensity, land-based operations, from peaceful peacekeeping such as Bougainville, through to more dangerous counter-insurgencies akin to operations in Iraq today, as well as maritime patrol. They would not transform the NZDF into an RMA-paradigm force. They would not turn the NZDF into a copy of the Australian Defence Force (ADF); rather, they would enable it to assist that force by providing complementary capabilities. The

¹⁴ New Zealand Ministry of Defence, *The Defence Sustainability Initiative: Building a long-term future for the New Zealand Defence Force*, Wellington, 2 May 2005.

¹⁵ There is an ongoing review of land force structure but at the time of writing it had not been finished.

recommendations seek a pragmatic balance between, on one hand, New Zealand's strategic and policy concerns and, on the other hand, the hard choices New Zealand must make in order to achieve best value from its limited investment in military capabilities.

RECOMMENDATION ONE – A THIRD INFANTRY BATTALION

As noted earlier, future conflicts will likely require the heavy use of land forces. The NZDF currently maintains only two regular infantry battalions. As such, long-term battalion rotations are only achievable through the heavy use of reserves, and even then they cause major problems to training schedules. A third infantry battalion would allow the NZDF to deploy a battalion to operations indefinitely. This third battalion need not be motorised, as are the others. A light infantry battalion, perhaps parachute-trained, able to deploy quickly and armed with light weaponry, would likely be most useful for peace support and other such operations. A third infantry battalion would also mean that in the case of a major security threat the NZDF could provide a full infantry brigade. It would also enable the NZDF to provide smaller infantry detachments for multiple operations simultaneously.

RECOMMENDATION TWO – A READY COMPANY

One shortcoming of the NZDF is its restricted readiness. For budgetary and other reasons, it lacks a true quick response capability. This means that during emerging crises it is seldom able to be the first on the scene. A solution to this might be having one infantry company ready and able to deploy within twelve hours of receiving its orders. This would allow the NZDF to make a significant early response, as Australia did in the recent eruption of violence in East Timor. By rotating the ready company amongst the twelve companies that would be maintained under a three battalion structure, the burden would not fall too heavily on a single unit. This change would also likely have foreign policy benefits. Often, in peace support operations, the first unit in is the one that receives the most attention; it is also often the first unit out. This might allow the NZDF to provide a small, but highly beneficial, contribution to operations, and one that could be quickly withdrawn.

RECOMMENDATION THREE – ENLARGE SPECIAL FORCES

In the increasingly complex future security environment, special forces will be of great utility due to their inherent flexibility.¹⁶ If the frequency of terrorism increases, the need for counter-terrorist forces, drawn from special forces, will also increase. The NZDF currently maintains a single SAS squadron. This force might be doubled in size, with the second squadron perhaps based near Wellington. This doubling of special forces would give the NZDF an additional domestic counter-terrorist group, located even closer to the central government. Perhaps more importantly, it would substantially

¹⁶ Lacquement Jnr, *Shaping American Capabilities After the Cold War*. p.36-37.

improve the NZDF's capability in expeditionary operations. An additional SAS squadron would be useful in both low and high-intensity operations, and could be used by the government as New Zealand's contribution to operations in which other elements of the NZDF would be too vulnerable. This would have distinct foreign policy benefits.

RECOMMENDATION FOUR – RECONSIDER THE NAVAL COMBAT FORCE (NCF)

The NZDF operates two Anzac-class frigates. These are incapable of high-intensity combat operations due to their lack of weaponry and sensors, and do not provide a major capability in low-intensity operations. Due to the size of the fleet, they also cannot carry out a sustained long range deployment. The need for such a force has to be seriously reconsidered. The NCF might be expanded to four frigates, although this would be very expensive. An alternative would be to disband it completely and sell off the frigates, freeing up resources and personnel for other parts of the NZDF. If the NCF were disbanded, the patrol boat fleet might be expanded, and its vessels enhanced through the fitment of additional weapons systems.

RECOMMENDATION FIVE - EXPAND SEA AND AIRLIFT

Future NZDF operations will almost certainly require overseas deployment. In some cases, entry into the theatre of operations may well be opposed. Currently, the NZDF's sea and airlift capacity is limited. It has five C-130s, two 757s, and will soon have a single multi-role vessel capable of deploying a single infantry company over the beach. The acquisition of an additional sealift vessel, capable of moving heavy equipment rather than personnel, would be greatly useful. This would enable the NZDF to make a swifter response to developing crises, rather than waiting for either chartered commercial shipping or the assets of allies. Also, additional air transports might be purchased. These could be C-130s, as the 757 fleet likely provides sufficient personnel moving capacity.

RECOMMENDATION SIX - MODIFY DOCTRINE AND TRAINING

Future military operations are likely to be low-intensity, intra-state, and complex. The NZDF has frequently participated in low-intensity operations, ranging from counter-insurgency through to peace support, and its personnel have often displayed great proficiency in such roles. This experience and expertise might be codified into New Zealand-specific doctrine. Also, training programmes might be modified to focus on low-intensity operations. This would not mean a loss of combat capability. Rather, it would mean a gain of combat capability in unconventional, low-intensity, irregular operations, which are likely to be the most common tasks of the 21st century. Such a shift in doctrinal and training focus would also have spin-off benefits for performance in peace support operations.

RECOMMENDATION SEVEN – SPECIALISE RESERVES

The United States military uses parts of its reserve structure not for direct combat capability, but rather to provide specialists in various roles that are not necessarily most efficiently maintained in the military itself. The NZDF might copy this, by using the Territorials to maintain various engineering, logistics, policing, and civil affairs capabilities that are not required by the force in being but can be mobilised for operations.

RECOMMENDATION EIGHT – DEVELOP CYBERWARFARE CAPABILITY

Cyberwarfare involves the use of information networks to inflict damage upon or obtain intelligence about an enemy. The acquisition of such a capability would have several benefits for New Zealand. It would be relatively cheap to develop: commercial computer technology is usually sufficient, and only a small number of highly trained operators would need to be employed. As with the special forces expansion mentioned earlier, this might be a niche capability that New Zealand could provide to high-intensity operations. It would also be useful in other situations; if a country were continually infringing on New Zealand's EEZ, a cyberattack might be a pacific alternative to confrontation at sea and thus also provide a deterrent capability. Cyberwarfare capability would also likely be of great assistance to New Zealand's intelligence gathering agencies, and also provide benefits in countering terrorism.

Possible New Zealand Defence Force 2020	
Army	3 x Infantry Battalions (of which 2 x Motorised) 2 x SAS Squadrons
Royal New Zealand Navy	4 x Offshore Patrol Vessels 4 x Inshore Patrol Vessels 1 x Multirole Vessel 1 x Sealift Ship
Royal New Zealand Air Force	5 x P-3K2 8 x C-130 (5 x C-130H, 3 x C-130J) 2 x 757
Force-Wide	Cyberwarfare Company

Obstacles and Constraints on Change

The above is a list of things that would be good to have. However, there are strong obstacles to their implementation, or indeed to any major enhancement of NZDF capability in the period to 2020. Conservatism, rather than transformation, is likely to be the dominant theme. The most important reason for this is the lack of resources.

If the above recommendations were to be implemented, the defence budget would need to be substantially increased. The budget has declined markedly in real terms in recent years, and is now approximately 0.9% of

GDP,¹⁷ a far cry from the approximately 1.5% of GDP it took in 1991.¹⁸ Increasing the defence budget to 1.2-1.3% of GDP would lift available defence spending to over 2 billion NZD, and almost certainly make all of the above recommendations affordable while still keeping defence spending at a moderate level compared to other countries, including Australia. However, increasing the defence budget would be a very difficult political initiative. Governments are unlikely to divert resources towards the electorally unappealing Defence budget. However, it is possible, and bringing the strategic benefits of an enhanced defence force to the attention of politicians and wider electorate would be a first step.

New Zealand can afford to spend more money on its defence force. Other social democracies, in similarly benign environments, devote a higher percentage of their GDP to military matters.¹⁹ Expenditure in other areas of government has increased dramatically in recent years; perhaps it is time to taper off spending in those areas and focus resources towards the military, to ensure New Zealand's security, as well as assist in the maintenance of global stability.

If, as is more likely, the defence budget remains the same as current projections, only a few of the above recommendations could be implemented.²⁰ The cyberwarfare capability would likely be cheap enough to acquire. Specialisation of the reserves also would not require a great deal of money. There might also be savings through internal rebalancing, although given how lean the NZDF already is, these would not be great. The disbandment of the NCF might free up enough money to purchase additional patrol vessels. An alteration in the balance between regulars and reserves, for example by expanding the Territorials, might increase the NZDF's infantry strength. Even if these changes were implemented, they would only marginally alter the NZDF, and not markedly enhance its capability to fulfil its roles.

But money, while important, is not the only obstacle to the transformation recommended above. Structural issues, most notably bureaucratic and

¹⁷ Calculation developed from New Zealand Defence Force, Statement of Intent 2006/2007, May 2006; New Zealand Defence Force, Vote Defence Force 2006/2007, May 2006.

¹⁸ New Zealand Parliamentary Library, *Defence Expenditure: Trends and International Comparisons*, 2005/01, Wellington, 2 March 2005.

¹⁹ Sweden, Norway and Finland all devote from 1.5-2.0% of GDP on defence spending. Central Intelligence Agency, *CIA Factbook - Finland, -Norway, - Sweden*, <<http://www.cia.gov/cia/publications/factbook/geos/fi.html>>; <<http://www.cia.gov/cia/publications/factbook/geos/no.html>>; <<http://www.cia.gov/cia/publications/factbook/geos/sw.html>>. (all accessed 3 July 2006)

²⁰ The author's calculations indicate that the Defence Sustainability Initiative is unlikely to raise funding beyond 1.01% GDP. Also, all of the money contained in that plan is already accounted for by existing initiatives. Approximately 2.5 billion NZD in depreciation (capital) funding will build up over the next decade, but ongoing programmes such as the NH-90s, Project Protector, and P-3 and C-130 upgrades will consume much of that.

service conservatism, are likely to be strong forces against major changes. Naval personnel, in particular, might oppose the potential axing of the frigate fleet. Army personnel might oppose the shift in training and doctrine towards low-intensity conflict. Such opposition could be overcome by a strong Minister of Defence, supportive of these recommendations, and willing to push through the necessary changes. Other countries have done so, and the relative strength of the executive in New Zealand would make it even easier.

Conclusion

This article has examined the post-Cold War strategic environment, and speculated about the development of that environment out to 2020. It has shown that security problems are unlikely to be major conventional wars, but rather low-intensity, dirty conflicts, with non-traditional threats and a new array of challenges. In that environment, the current and near-future NZDF will not be a particularly good tool of government policy. It will have shortcomings in multiple areas, largely due to the conservatism that has barely changed its force structure in the past fifteen years bar a few, financially motivated reductions.

To better meet the demands of the future security environment, the NZDF should change. It should focus itself on likely land-based tasks: low-intensity warfare, not just peace support, ranging from counter-insurgency through to border observation. It should expand its army and special forces, improve its readiness and lift capacity, and seriously consider the utility of the existing naval combat force. It should modify doctrine and training, and change the role of the reserves to provide specialised forces for expeditionary operations. It should develop a cyberwarfare capability to provide New Zealand with a potentially powerful niche capability, and a useful deterrent against aggression. These recommendations are not aimed at changing New Zealand's defence policy, or making it a miniature Australia. They are aimed at achieving the defence policy goals clearly stated by the government, in a more complex and potentially dangerous environment. If these goals are expanded, then even more major changes would be required.

Such changes are unlikely. New Zealand does not spend enough on defence to afford them, and it is unlikely, barring a catastrophe, that the defence budget will be raised sufficiently. And, even if it were, major change in the NZDF could be hindered by conservative elements within the uniformed and civilian staff. Achieving change, then, requires first and foremost a commitment by the government, and a strong-willed Minister of Defence. New Zealand will not be conquered and occupied if it does not adapt its defence force to the future security environment. But it will likely find itself with an NZDF defence force of swiftly reducing utility, in an

increasingly unstable environment, and with its international influence slipping away.

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