
The Parliament of the Commonwealth of Australia

Report of the 2003 New Zealand Parliamentary Committee Exchange

6-11 April 2003

Joint Standing Committee on Foreign Affairs, Defence and Trade

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Chairman's Foreword

Australia and New Zealand have a long and valued history and, as a result, a mutual desire to strengthen wherever possible our social, trade, defence and security interests. The Parliaments of both countries recognise the merit in building on our already strong relationship by having an annual exchange of parliamentary committees.

During the period 6-11 April 2003 the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade visited New Zealand as part of the 2003 parliamentary committee exchange program.

The first objective of the visit was to meet with New Zealand parliamentarians to share ideas and build and enhance relationships between the two Parliaments. This objective was fulfilled through a series of high level meetings with the Speaker of the New Zealand Parliament, the Hon Jonathan Hunt, MP, the Leader of the Opposition, the Hon Bill English, MP, the Minister of Defence, the Hon Mark Burton, MP, and members of the New Zealand Foreign Affairs, Defence and Trade Select Committee.

The second objective of the visit ties in with the sub-committee's current inquiry into Australia's maritime strategy. The majority of meetings during the four day visit were with New Zealand Defence personnel who provided briefings on key developments and initiatives in New Zealand Defence policy and capability. These meetings were constructive and provided an alternative perspective to some of the issues that are currently being examined by the sub-committee as part of its inquiry into Australia's maritime strategy.

In conclusion, and on behalf of the Committee, I would like to thank the range of groups and individuals with whom we met with in New Zealand. They welcomed us and provided excellent briefings on New Zealand's Defence policy and capability. Their support and cooperation ensured that this was a productive and beneficial parliamentary committee exchange.

Hon Bruce Scott, MP
Chair Defence Sub-Committee



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Membership of the Committee

Chair Senator A B Ferguson

Deputy Chair Hon L J Brereton, MP

Members

Senator A Bartlett (from 1/7/02)	Hon K C Beazley, MP
Senator M Bishop (from 1/7/02; to 19/8/02)	Hon A R Bevis, MP
Senator the Hon N Bolkus (from 1/7/02)	Hon G J Edwards, MP
Senator V W Bourne (to 30/6/02)	Mr L D T Ferguson, MP
Senator P H Calvert (to 19/8/02)	Mrs J Gash, MP
Senator H G P Chapman (to 30/6/02)	Mr D P M Hawker, MP
Senator the Hon P Cook	Hon D F Jull, MP
Senator A Eggleston (from 1/7/02)	Mr P J Lindsay, MP
Senator C Evans	Hon Dr S P Martin, MP (to 16/8/02)
Senator B Gibbs (to 30/6/02)	Hon J E Moylan, MP
Senator B Harradine	Mr G R Nairn, MP
Senator S Hutchins (to 30/6/02; from 19/8/02)	Hon L R S Price, MP
Senator D Johnston (from 22/8/02)	
Senator J A L Macdonald	Hon G D Prosser, MP
Senator K O'Brien (from 1/7/02)	Hon B C Scott, MP
Senator M A Payne	Hon W E Snowdon, MP
Senator the Hon C Schacht (to 30/6/02)	Hon A M Somlyay, MP
Hon B G Baird, MP	Mr C P Thompson, MP
Mr R C Baldwin, MP	

Secretary Dr Margot Kerley



Membership of the Defence Sub-Committee

Chair	Hon B C Scott, MP	
Deputy Chair	Hon L R S Price, MP	
Members	Senator C Evans	Mr R C Baldwin, MP
	Senator A B Ferguson	Hon K C Beazley, MP
	Senator S Hutchins (to 30/6/02; from 19/8/02)	Hon A R Bevis, MP
	Senator D Johnston (from 22/8/02)	Hon L J Brereton, MP
	Senator J A L Macdonald	Mr AM Byrne, MP
	Senator M A Payne	Hon G J Edwards, MP
		Mrs J Gash, MP
		Mr D P M Hawker, MP
		Mr P J Lindsay, MP
		Mr G R Nairn, MP
		Hon W E Snowdon, MP
		Hon A M Somlyay, MP
		Mr C P Thompson, MP
Secretary	Mr Stephen Boyd	
Defence Adviser	Wing Commander Rob Scrivener AM, CSM	
Administrative Officer	Ms Emma Flynn	



Membership of the Defence Sub-Committee Delegation to NZ

Chair Hon Bruce Scott, MP

Deputy Chair Hon Roger Price, MP

Members Mr Bob Baldwin, MP

 Hon Arch Bevis, MP

Senator David Johnston

Senator Sandy Macdonald

Senator Marise Payne

Secretary Mr Stephen Boyd



Maritime Strategy

terms of reference

The primary priority for the Australian Defence Force (ADF), identified in the White Paper *Defence 2000*, is 'to defend Australia from any credible attack, without relying on help from the combat forces of any other country'.

The key to defending Australia is 'to control the air and sea approaches to our continent, so as to deny them to hostile ships and aircraft, and provide maximum freedom of action for our forces'. For this purpose Australia relies on a 'fundamentally maritime strategy'. To successfully apply a maritime strategy the Australian Defence Organisation (ADO) will 'maintain and further develop an integrated and balanced joint force'.

This inquiry aims to develop a comprehensive understanding of Maritime Strategy and its place within Australia's broader military strategy and defence policy. It is **not limited** to an examination of Australia's naval or maritime forces nor is it focused only on the Defence of Australia.

The inquiry also seeks to understand the implications of a Maritime Strategy for the other tasks set out in the White Paper, namely: contributing to the security of our immediate neighbourhood; contributing effectively to international coalitions beyond our immediate neighbourhood; and support of peacetime national tasks.

Terms of Reference

The Joint Standing Committee on Foreign Affairs, Defence and Trade shall inquire into and report on the ADO ability to deliver the necessary capabilities to meet Australia's strategic interests and objectives as defined in *Defence 2000*, with specific reference to the:

- ADO capability to apply the maritime strategy outlined in *Defence 2000* in the current strategic environment;
- primary roles in Australia's maritime strategy of the key components of the ADO, including the three services, Defence Intelligence Organisation and ADF Command and Control structure;
- impact of Australia's maritime strategy on ADF capacity to participate in combined, multi-national regional and global coalition military operations;
- integration of maritime strategy with the other elements of Australian national power to achieve specified national strategic interests and objectives;
- impact of the evolving strategic environment on Australia's maritime strategy; and
- integration of Australian Defence Industry into capability development to support a maritime strategy.



List of abbreviations

ADA	Australian Defence Association
ADF	Australian Defence Force
ASPI	Australian Strategic Policy Institute
CBRNE	Chemical, biological, radiological, nuclear and explosives
CDF	Chief of Defence Force
DAA	Defeat of attacks on Australia
Defence	Department of Defence
DPF	New Zealand Defence Policy Framework
IRR	Incident Response Regiment
IRS	Information Research Service, Parliamentary Library
MOLE	Manoeuvre Operations in the Littoral Environment
NZDF	New Zealand Defence Force
NZFADT	New Zealand Foreign Affairs, Defence and Trade Committee
NZPCEP	New Zealand Parliamentary Committee Exchange Program
SLOCs	Sea Lines of Communication
TAG	Tactical Assault Group
UAV	Uninhabited Air Vehicle
UCAV	Uninhabited Combat Aerial Vehicle



Acknowledgements

During the visit to New Zealand between 6 and 11 April 2003, the delegation was provided with excellent support and advice. Mr Max Simmons of the New Zealand Department of Internal Affairs is to be congratulated for planning and organising a program of meetings which more than met the needs of the delegation.

In addition, the delegation acknowledges the support provided by HE Mr Bob Cotton, High Commissioner to New Zealand and his staff. In particular, the Defence Attaché Colonel Brian Hall deserves praise for the support he provided.



Recommendations

Recommendation 1

The Committee recommends that the Australian Strategic Policy Institute (ASPI) and the Strategic and Defence Studies Centre at ANU be encouraged to examine with their NZ counterparts opportunities for joint research projects. The Ministers for Defence and Foreign Affairs should consider whether any additional resources are needed for this activity [Paragraph 4.36].

Recommendation 2

The Committee recommends that the Presiding Officers give consideration to the proposal that some members of the Committee attend, as observers, General Conferences of the Council for Security Cooperation in the Asia Pacific (CSCAP) [Paragraph 4.37].

Introduction

- 1.1 The New Zealand Parliamentary Committee Exchange Program (NZPCEP) serves the purpose of building and enhancing parliamentary relations. At the same time, the visit provided an opportunity for the Committee to focus discussions on its current inquiry into Australia's maritime strategy.
- 1.2 New Zealand's defence policy has been examined through an Information and Research Service foundation paper prepared for the Committee, and through a parliamentary internship paper coordinated by the Deputy Chair. The series of meetings in New Zealand provided an opportunity to build on the comparative analysis already undertaken.
- 1.3 This chapter provides background information on the history and objectives of the NZPCEP, and the Committee's specific objectives as part of the 2003 exchange. This chapter also provides background information on the Australian Defence Force (ADF).
- 1.4 Chapter two examines the maritime strategy inquiry by reviewing the broad maritime strategy concepts, and discusses the key issues arising from the inquiry to date.
- 1.5 Chapter three is the key section of the report. It outlines the major developments in New Zealand defence policy during the previous three to four years, and reports on the key issues arising from the visit. In 1999 the New Zealand Parliament's Foreign Affairs, Defence and Trade Committee (NZFADT) tabled the report, *Defence Beyond 2000*. This report has been significant in influencing New Zealand Government Defence policy. The NZFADT report is reviewed along with the key defence statements which followed.

- 1.6 The final chapter discusses non-inquiry related issues which arose during the series of meetings and visits. These issues are noteworthy and will be of interest to the Australian Parliament.

New Zealand Parliamentary Committee Exchange

History and objectives

- 1.7 The NZPCEP was established in 1989 as a means of promoting and strengthening parliamentary relations between New Zealand and Australia. Every year an Australian parliamentary committee visits New Zealand and in the same year a New Zealand parliamentary committee visits Australia.
- 1.8 The method for selecting Australian committees is based on a system in which committees are selected from the Senate, from the House of Representatives, and from a Joint Committee on an annual rotating basis.
- 1.9 In 2003, for example, it was the turn of a Joint Committee to visit New Zealand. There are 12 Joint Committees operating in the Australian Parliament so a further selection process was undertaken to determine which joint committee would represent the Australian parliament. All joint committees were invited to write to the Presiding Officers setting out the reasons why visiting New Zealand would assist the committee's current inquiry program.
- 1.10 The NZPCEP is different to other outgoing delegations in two key ways. First, it is a 'committee' visit in which membership of the delegation is restricted to membership of the nominated committee. In contrast, the membership of outgoing delegations is drawn from all Senators and Members. There is usually no committee basis to these selections.
- 1.11 Second, the NZPCEP provides for a committee to visit New Zealand to examine inquiry related issues and other issues of more general interest to the committee and, therefore, the meetings are committee business.
- 1.12 Since the start of the NZPEP in 1989 the following Australian committees have visited New Zealand:

Year	Committee
2002	Senate Environment, Communications, Information Technology and the Arts Legislation and References Committee
2001	House of Representatives Standing Committee on Employment, Education and Workplace Relations
2000	Joint Standing Committee on Treaties
1999	No exchange
1998	Senate Economics Reference and Legislation Committee
1997	House of Representatives Standing Committee on Primary Industries, Resources and Regional Affairs
1996	No exchange
1995	Joint Committee on Native Title
1994	Joint Standing Committee on Public Accounts
1993	Joint Standing Committee on Corporations and Securities
1992	Senate and House of Representatives Committees on Transport, Communications and Infrastructure
1991	No exchange
1990	House of Representatives and Senate Legal and Constitutional Affairs Committees ¹
1989	Joint Standing Committee on Foreign Affairs, Defence and Trade

2003 Objectives and scope

1.13 The Defence sub-committee of the Joint Foreign Affairs, Defence and Trade Committee is conducting an inquiry into Australia's maritime strategy. The Committee was selected to visit New Zealand in 2003 because of the benefits of conducting a comparative examination of New Zealand Defence Policy. From the outset, the Committee was clear on the New Zealand defence issues that it would like to focus on that would be of most use to its ongoing inquiry into Australia's maritime strategy.

¹ Note that the early committee exchanges were made up of joint membership from the committees of the House and Senate.

Therefore, in the first instance the Committee requested to meet with the following individuals and groups:

- the New Zealand Foreign Affairs, Defence and Trade Committee;
- Hon Mark Burton, MP, Minister of Defence;
- Hon Bill English, MP, Leader of the Opposition and other opposition members;
- Air Marshal Bruce Ferguson, OBE, AFC, Chief of the Defence Force and the Service Chiefs;
- Mr Graham Fortune, Secretary of Defence; and
- relevant defence facilities.

1.14 At the same time, advice was sought from our New Zealand hosts on a range of other individuals and groups with whom the Committee could meet. Appendix A shows the full list of Committee meetings.

1.15 In addition, the Committee made a special request to participate in a wreath laying ceremony at the National War Memorial to honour the brave Service men and women of both countries who made the ultimate sacrifice in the defence of freedom and democracy.

Figure 1.1 The Committee on the steps of the New Zealand Parliament, Wellington



- 1.16 An underlying objective of the 2003 NZPCEP, and all visits under this program, is the building and strengthening of parliamentary relations between Australia and New Zealand. In fulfilment of this objective, the committee met with the Rt Hon Jonathan Hunt, MP, Speaker of the House of Representatives. The Committee conveyed to the Speaker the best wishes of the Australian Parliament and its gratitude for hosting an Australian parliamentary committee. In addition, the Committee attended question time, as a guest of the Speaker, and met with a range of New Zealand parliamentarians which helped to develop already strong relationships between the two Parliaments.
- 1.17 Chapter two of this report outlines some of the key issues arising out of the inquiry into Australia's maritime strategy. This is intended to provide a background to some of the challenging issues that the Committee is examining as part of this inquiry. This report, however, will not cast findings or conclusions on these matters. A final report on the inquiry into Australia's maritime strategy will be tabled towards the end of 2003 when the committee has received and fully examined the evidence.

ADF strategic objectives, personnel and 2003-04 Budget allocation

- 1.18 The 2003-04 Portfolio Budget Statement (PBS) provide information on the overall Budget allocation and key initiatives. Defence's strategic objectives are influenced by the strategic principles set out in *Defence 2000 – Our Future Defence Force* (the Defence White Paper). Defence states that the principles in the White Paper 'remain a valid framework for addressing Australia's defence policy'.² As outlined in the White Paper, there are five strategic objectives to which Defence contributes:
- ensuring the defence of Australia and its direct approaches;
 - fostering the security of Australia's immediate neighbourhood;
 - promoting stability and cooperation in Southeast Asia;
 - supporting strategic stability in the wider Asia-Pacific region; and
 - supporting global security.
- 1.19 In relation to capability, Defence states:

² Defence Portfolio, *Portfolio Budget Statement 2003-04*, p. 5.

The training and skill levels of the ADF will be suitable for providing the nucleus for an Australian-led coalition force, or for providing a commitment to coalition forces. The ADF will be able to operate in the maritime, air and land environments both separately and jointly. Finally, Defence will be able to provide a range of peacetime contributions, including in relation to the security of Australia's territorial borders. The ADF will be sufficiently flexible to undertake some simultaneous operations in widely separated areas in defence of Australia.³

1.20 In 2003-04 the ADF force structure will comprise the following combat elements:

- a surface combatant force of six guided missile frigates and five Anzac-class frigates (rising to eight by 2006), together with onboard helicopters;
- six Collins-class submarines;
- an amphibious lift and sea command force comprising two amphibious landing ships and one heavy landing ship;
- a mine hunter force comprising six coastal mine hunters and a hydrographic force comprising two hydrographic ships;
- an afloat support force comprising one oil tanker and one replenishment ship;
- six Army battalions at 90 days readiness or less, supported by a range of armour, aviation, engineer, fire support, logistics and transport assets, and a number of lower-readiness units able to provide personnel for sustainment and rotation;
- a Reserve Force designed to sustain, reinforce and, to a lesser degree, rotate personnel and equipment;
- three Regional Surveillance Units;
- an Incident Response Regiment and special forces consisting of the Special Air Service Regiment, a high-readiness commando battalion and a reserve commando battalion;
- an air combat force of three front-line F/A-18 squadrons and one operational F-111 squadron, supported by training squadrons, a wide-area surveillance system (Jindalee Operational Radar Network) monitoring Australia's northern approaches, and a range of ground

³ Defence Portfolio, *Portfolio Budget Statement 2003-04*, p. 5.

radars and other support elements. Airborne early warning and control aircraft will be deployed from 2007 and operational air-to-air refuelling aircraft from about 2007;

- a maritime patrol force of two front-line P-3C Orion squadrons; and
- agencies responsible for intelligence collection and analysis.⁴

1.21 Defence states that these 'major combat elements will be integrated and informed through a number of well-developed command, communications and intelligence systems'.⁵

1.22 For 2003-04 the most recent Budget estimates for Defence are shown in the PBS. Table 1.1 reproduces the key information.

Table 1.1 2003-04 Budget estimates and revised estimates

	2002-03 Projected Result \$000	2003-04 Budget Estimate \$000
Revenue from Government for outputs	18,230,325	14,398,319
Own source revenue	330,316	280,945
Equity injection from Government	995,201	1,020,524
Net Capital receipts	109,482	106,484
Administered appropriation	2,236,481	2,236,481
Total Defence resourcing	21,901,805	18,042,753

Notes

1. 2002-03 revenue from Government for price of outputs includes \$5,056m associated with capital use charge revenue that has been discontinued from 2003-04.
2. Own-source revenue excludes 'asset now recognised' revenue.
3. Total own-source revenue of \$387.4m in 2003-04 includes resources received free of charge (\$2m) while this amount is excluded from total cash receipts in Table 1.10.
4. The real year-on-year per cent growth excludes capital use charge of \$5,056m in 2002-03. Total departmental funding includes the reimbursement of \$248.6m for Operations Bastille and Falconer which were funded from Defence's cash reserves in 2002-03. To show the underlying real growth, the year-on-year per cent growth has been calculated by reducing the 2003-04 figure by \$248.6m and increasing 2002-03 by the same amount.

Source *Defence Portfolio Budget Statement, 2003-04, p. 19.*

⁴ Defence Portfolio, *Portfolio Budget Statement 2003-04*, pp. 6-7.

⁵ Defence Portfolio, *Portfolio Budget Statement 2003-04*, p. 6.

- 1.23 Defence reports that the 'total resourcing available to Defence in 2003-04 is \$18,043m, comprising departmental funding of \$15,806m and a further \$2,236m for the administered appropriation.'⁶ Defence states:

Departmental funding of \$15,806m in 2003-04 represents an increase of \$1,197m compared to the projected 2002-03 result, excluding the capital use charge component in the 2002-03 budget that has been discontinued from 1 July 2003. This comprises an increase in total revenue from Government of \$1,249m and a net reduction in own-source revenue and net capital receipts of \$52m.⁷

- 1.24 The average annual strength of the three services for the five years from 1996-97 through to 2001-02 is shown in Table 1.2 below.

Table 1.2 Average Annual Strength of Services (number of persons) – 1998-99 to 2003-04

	1998-99	1999-00	2000-01	2001-02 (actual)	2002-03 Projected Result	2003-04 Budgeted Estimate
Navy	13,661	12,887	12,396	12,598	12,828	13,000
Army	24,169	24,089	24,488	25,012	25,624	25,941
Air Force	15,065	14,051	13,471	13,322	13,652	13,400
Total Permanent Force	52,895	51,027	50,355	50,932	52,104	52,341

Source Department of Defence, Submission, Question W5 to review of Defence Annual Report 2000-01; Defence Annual Report 2001-02, p. 285; Defence Portfolio Budget Statements, 2003-04, p. 179.

- 1.25 ADF Reserve and civilian staffing is shown in Table 1.3.

Table 1.3 2003-04 ADF Reserve and civilian Staffing

Reserve Force	2002-03 Projected Result	2003-04 Budget Estimate
Navy	1,777	2,087
Army	16,500	16,700
Air Force	1,658	1,658
Total Reserve Force	19,935	20,445
Civilian Staffing	18,297	17,377

Source Defence Portfolio Budget Statements, 2003-04, p. 181.

⁶ Defence Portfolio, *Portfolio Budget Statement 2003-04*, p. 19.

⁷ Defence Portfolio, *Portfolio Budget Statement 2003-04*, p. 19.

- 1.26 Table 1.4 shows the total Defence Workforce comprising the military and civilian components.

Table 1.4 Total Defence Workforce 2003-04

Workforce	2002-03 Projected Result	2003-04 Budget Estimate
Military	72,039	72,786
Civilian	18,297	17,377
Total Workforce	90,336	90,163

Source *Defence Portfolio Budget Statements, 2003-04, p. 179.*

Report structure

- 1.27 Chapter two provides an overview of the key concepts of maritime strategy, and reviews some of the key inquiry issues that have arisen to date. This helps to provide some linkage between the issues that are being examined as part of the inquiry into Australia's maritime strategy and the issues examined as part of the New Zealand exchange. It is not an objective of this report to cast findings on Australia's maritime strategy at this time. A final report on the inquiry will be tabled towards the end of 2003.
- 1.28 Chapter three examines the key New Zealand Defence policies and defence force capabilities that the committee received briefings on during the visit to New Zealand.
- 1.29 The final chapter discusses a range of issues that arose during the briefings that were not directly linked to the inquiry into Australia's maritime strategy but are significant in their own right and deserve mention.

Inquiry into Australia's maritime strategy

Introduction

- 2.1 The Defence White Paper 2000, in referring to a maritime strategy, states that 'the key to defending Australia is to control the air and sea approaches to our continent, so as to deny them to hostile ships and aircraft, and provide maximum freedom of action for our forces.'
- 2.2 An effective maritime strategy underpinned by appropriate capability provides a nation with defence forces that can project power and contribute to regional and global security. Maritime strategies involve the integration of sea, air and land forces operating jointly.
- 2.3 Australia, as an island continent, requires an effective maritime strategy. The majority of evidence to the inquiry, however, suggests that Australian military strategy is based on an outdated continental approach. These critics suggest that Australia's maritime strategy is merely based around sea denial. The other aspects of a maritime strategy which include sea control and power projection are not realised in practice.
- 2.4 This debate goes to the core of Australia's defence objectives. The primary objective of the ADF, as outlined in the White Paper, is 'to defend Australian territory from any credible attack, without relying on help from the combat forces of any other country.'¹ Evidence to the inquiry suggests, that in an environment where threats to security are global and there are increasing threats from non-state adversaries, Australia's defence objectives should be reviewed. Some of the evidence to the inquiry

1 *Defence 2000, Our Future Defence Force*, 2000, p. 46.

suggests that the ADF should not just be able to defend Australian territory but Australian interests where ever they may be. These submissions argue that to achieve this, Australia needs a true maritime strategy capable of achieving varying levels of sea control and power projection.

- 2.5 This chapter reviews the key maritime strategy concepts and the key debates that have arisen during the inquiry.

Maritime strategy concepts

- 2.6 Maritime strategies are significant in military planning because they provide the means to apply power to areas of interest along coastlines and inland. This area is called the littoral. The littoral is defined 'as the areas to seaward of the coast which is susceptible to influence or support from the land and the areas inland from the coast which are susceptible to influence from the sea.'
- 2.7 The Information Research Service (IRS) notes that at the turn of the 21st century, 'the littoral accommodates over three quarters of the world's population, hosts over 80% of the world's capital cities and nearly all of the marketplaces for international trade.'² In October 2002 the Committee observed operation Tasman Link, which included ADF Manoeuvre Operations in the Littoral Environment (MOLE).
- 2.8 A key aspect of the debate about maritime strategy is whether the topic is confined to military strategy ('small s' maritime strategy) or extends to broader national security strategy ('big S' maritime strategy). The IRS commented that in 'the latter case, the term encompasses a national approach to its security that is either continentalist or maritime-focussed and considers responsibilities, not only for military forces, across a wide spectrum of security sectors.'³
- 2.9 The 'small s' concept of maritime strategy encompasses diplomatic, constabulary and warfighting elements. As suggested above this concept of maritime strategy is a subset of broader military strategy.
- 2.10 The Defence White Paper 2000 sets out Australia's key strategic interests and objectives in order of importance. These strategic objectives, shown below, aim to:

2 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 15

3 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, October 2002, p. 15.

- ensure the Defence of Australia and its direct approaches;
- foster the security of our immediate neighbourhood;
- work with others to promote stability and cooperation in Southeast Asia;
- contribute in appropriate ways to maintaining strategic stability in the wider Asia Pacific region, and
- support Global Security.⁴

2.11 These strategic objectives are in turn supported by Australian military strategy. The Defence White Paper identifies four priority tasks for the ADF:

- the defence of Australia which is shaped by three principles:
 - ⇒ we must be able to defend Australia without relying on the combat forces of other countries – self-reliance;
 - ⇒ Australia needs to be able to control the air and sea approaches to our continent – a maritime strategy; and
 - ⇒ although Australia's strategic posture is defensive, we would seek to attack hostile forces as far from our shores as possible – proactive operations;
- the second priority for the ADF is contributing to the security of our immediate neighbourhood;
- the third priority for Australian forces is supporting Australia's wider interests and objectives by being able to contribute effectively to international coalitions of forces to meet crises beyond our immediate neighbourhood; and
- in addition to these core tasks in support of Australia's strategic objectives, the ADF will also be called upon to undertake a number of regular or occasional tasks in support of peacetime national tasks.⁵

2.12 It should be noted that the order of the military tasks listed above are the base for acquiring new equipment. Therefore, the defeat of attacks on Australia (DAA) is the key determinant for acquiring new equipment. The IRS comments that since 9-11 this has been relaxed 'but it is still the case that most acquisitions are justified on their contribution to the DAA task.'⁶

4 *Defence 2000, Our Future Defence Force*, 2000, p. X.

5 *Defence 2000, Our Future Defence Force*, 2000, pp. XI-XII.

6 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 19.

This highlights the impact of military strategy on capability and force development.

- 2.13 In March 2003 the Government released an update on the Defence 2000 White Paper. The 2003 Update concluded that ‘while the principles set out in the Defence White Paper remain sound, some rebalancing of capability and expenditure will be necessary to take account of changes in Australia’s strategic environment.’⁷ The key focus of the 2003 Update was the rise of global terrorism and the spread of weapons of mass destruction (WMD) which ‘have emerged to new prominence and create renewed strategic uncertainty.’⁸
- 2.14 In relation to the maritime strategy component of Australia’s military strategy as outlined in the 2000 Defence White Paper, the IRS observes that the maritime component is one of the denial of the sea-air-gap to our north which is ‘a very limited aim.’⁹ Before examining this and other issues, it is necessary to review the maritime strategy concepts of sea denial, sea control and power projection:
- **Sea Denial** has the ‘aim of prevention of the use of the sea’ by another force against us. This is ‘defined as the condition that exists when an adversary is denied the ability to use an area of sea for its own purposes for a period of time.’⁴ *Sea Denial* implies a more passive posture where the emphasis is on defence (although this does not preclude the employment of offensive capabilities), and where the initiative is likely to remain with the attacking power;
 - **Sea Control** which is ‘defined as that condition which exists when one has freedom of action to use an area for one’s own purposes for a period of time and, if required, to deny its use to an opponent’; and
 - **Power Projection**, while not exclusively a maritime strategic concept, recognises that maritime forces, through Sea Control, can shape, influence and control the strategic environment, and can deliver combat force ashore if necessary.¹⁰
- 2.15 The IRS and numerous submissions to the inquiry have concluded that the Defence White Paper has articulated a strategy of sea denial for the sea air gap to the north of Australia as the focus of our defence effort. Sea Control is another step up from sea denial in that it provides for the elements of presence, reach and power to control an area of ocean in order to pursue

7 *Australia’s National Security, A Defence Update*, March 2003, pp. 5-6.

8 *Australia’s National Security, A Defence Update*, March 2003, p. 7.

9 Information Research Service, *A Foundation Paper on Australia’s Maritime Strategy*, p. 19.

10 Centre for International Strategic Analysis, *Submission 6*, p. 4.

strategic interests. Sea control is not continuous and is based on the achievement of objectives and the resources available to enforce sea control.

- 2.16 Power projection is about using maritime power to influence affairs on land. The IRS commented that 'the reach, poise, and flexibility of maritime forces enable them to strike at the land from unexpected and/or advantageous directions, making them, in the words of Liddell-Hart "the greatest strategic asset that a maritime nation can possess"'.¹¹
- 2.17 The 'Big S' meaning of maritime strategy takes the understanding and significance of maritime strategy a few steps further. While the military concepts of maritime strategy described above are also a feature of a 'Big S' maritime strategy, the wider elements of national security are also considered. These include our nation's economic, environmental, societal and political security.

Capability

- 2.18 Military strategies influence capability development. In turn, the development of military capabilities should give effect to the strategy. For example, the broad military strategy outlined in the 1987 White Paper has influenced force development to the present day. This includes the development of JORN, movement of the Army north, the establishment of bare bases in the north, the location of a squadron of F/A-18s in northern Australia, and the establishment of a second fleet base in Western Australia.

Sea power

- 2.19 The current debate on Australia's maritime strategy has generally emphasised a joint approach to capability and operations. This approach seeks to combine the forces of Navy, Air Force and Army. In relation to the role of sea power, there has been less focus on the role of blue water navies and more emphasis on operations in the littoral. The IRS commented that 'the RAN has increased its focus on joint operations in the littoral and the RAN's future warfare concepts envisage 'maritime forces providing protection and sustainment of embarked land forces while enroute and while the land forces remain in the littoral.'¹²

11 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 25.

12 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 32.

2.20 While operations in the littoral are receiving greater attention, the classic concepts of sea denial, sea control and power projection are still important. The type of capabilities needed here include submarine, surface, air and mine warfare. The Royal Australian Navy current and projected fleet needs is shown in Table 2.1.

Table 2.1 Royal Australian Navy's Three Fleet Navy

FORCE ELEMENT GROUPS	FLEET IN BEING 2005	ENHANCED FLEET 2015	FUTURE FLEET 2025
Surface Combatants	<ul style="list-style-type: none"> • 3 Upgraded FFG • 3 FFG • 1 Anzac FFH (ASMD Upgrade) • 5 Anzac FFH 	<ul style="list-style-type: none"> • 2 Air Warfare Destroyers (+1 or 2 Building) • 4 Upgraded FFG • 8 Upgraded Anzac FFH 	<ul style="list-style-type: none"> • 3 or 4 Air Warfare Destroyers • A mix of New Surface Combatants and upgraded Anzac FFH
Submarines	<ul style="list-style-type: none"> • 6 Collins Class 	<ul style="list-style-type: none"> • 6 Upgraded Collins Class 	<ul style="list-style-type: none"> • A mix of Next Generation Submarines and upgraded Collins Class
Amphibious Lift	<ul style="list-style-type: none"> • 1 Landing Ship Heavy (LSH) • 2 Landing Platform Amphibious (LPA) • 6 Landing Craft Heavy (LCH) 	<ul style="list-style-type: none"> • 3 Large Amphibious Platforms • ADF Watercraft Replacements 	<ul style="list-style-type: none"> • 3 Large Amphibious Platforms • ADF Watercraft Replacements
Afloat Support	<ul style="list-style-type: none"> • 1 Auxilliary Oiler • 1 Fleet Replenishment Ship 	<ul style="list-style-type: none"> • 2 Fleet Replenishment Ships 	<ul style="list-style-type: none"> • 2 Fleet Replenishment Ships
Mine Warfare	<ul style="list-style-type: none"> • 6 Huon Class Coastal Minehunters • 2 Auxilliary Minesweepers • 2 Clearance Diving Teams 	<ul style="list-style-type: none"> • 6 Huon Class Coastal Minehunters • 2 Clearance Diving Teams 	<ul style="list-style-type: none"> • Next Generation Minehunting Platforms • 2 Clearance Diving teams
Aviation	<ul style="list-style-type: none"> • 16 Seahawks • 11 Seasprites • 7 Seakings 	<ul style="list-style-type: none"> • 16 Seahawks • 11 Seasprites • Utility Helicopters • Possibly UAVs 	<ul style="list-style-type: none"> • Common type Warfare/Utility Helicopter • UAVs

FORCE ELEMENT GROUPS	FLEET IN BEING 2005	ENHANCED FLEET 2015	FUTURE FLEET 2025
Hydrographic	<ul style="list-style-type: none"> • 2 Leeuwin Class • 4 Paluma Class • LADS (Laser Airborne Depth Sounder) 	<ul style="list-style-type: none"> • 2 Hydrographic Ships • Next Generation LADs type capability 	<ul style="list-style-type: none"> • 2 Replacement Hydrographic Platforms • Future Airborne System
Patrol Boats	<ul style="list-style-type: none"> • 13 Fremantle Class • 2 Replacement Patrol Boats 	<ul style="list-style-type: none"> • Replacement Patrol Boats 	<ul style="list-style-type: none"> • Next Generation Patrol Platforms

Source Australia's Navy for the 21st Century: 2001-2030 Royal Australian Navy, July 2001.

Land forces

2.21 The role and capability of Army has been influenced by the Dobb strategy of Defence of Australia but also through the need to operate offshore in support of peacekeeping and humanitarian operations. The East Timor operation, for example, demonstrated the need for short notice operations supported by air and sea lift capabilities. The 2000 Defence White Paper has acknowledged the need for greater capability in managing operations offshore. The IRS stated:

In an attempt to balance the demands between defence of Australia and operations in the region, the White Paper reinforces the importance of an amphibious lift capability by committing to retaining and eventually replacing the Amphibious Support Ships, HMAS Manoora and HMAS Kanimbla, and also HMAS Tobruk. This combined with the additional squadron of troop lift helicopters to operate from the Amphibious Support Ships provides Defence a limited amphibious capability.¹³

2.22 The growing emphasis on amphibious operations and the increasing role of Army in maritime strategy is demonstrated through the Army's doctrine and concept document *Manoeuvre Operations in the Littoral Environment* (MOLE).¹⁴ This document demonstrates 'that the maritime approaches to our territory are littoral in nature and therefore the capability to conduct joint operations in the littoral is essential to an effective maritime strategy.'¹⁵

13 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 34.

14 Note that the Army's document *Manoeuvre Operations in the Littoral Environment* is a classified document but some comments about the document have been made in the public domain.

15 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 34.

- 2.23 The 2000 Defence White Paper emphasises a ‘limited amphibious capability’ involving a non-opposed landing. A forced entry from the sea involving conflict could seriously test the ADF under its current capability. The IRS commented that ‘the ADF’s limited force projection, sea control and surface air warfare capability, combined with the lack of endurance associated with air power, raises questions about how the ADF might be able to effect this operation with the current and planned capital investments.’¹⁶

Aerospace power

- 2.24 Aerospace power incorporates air arms from both the Army and Navy in addition to the Air Force. In certain scenarios, commercial air lift would also be relevant. The IRS suggests that since Dibb, aerospace power has remained largely unchanged.
- 2.25 The 2000 Defence White Paper comments that ‘Air combat is the most important single capability for the defence of Australia, because control of the air over our territory and maritime approaches is critical to all other types of operation in the defence of Australia.’¹⁷ The air combat role is provided through a fleet of 71 F/A-18s. In addition, a significant strike capability is provided through the fleet of F-111s.
- 2.26 In support of these capabilities are air borne early warning aircraft and air-to-air refuelling capabilities. Technological developments are seeing advances in stealth and guided munitions. The Government’s decision to sign up as a level three partner for the F-35 is influenced by these developments. At the same time, aerospace power is being influenced by the development of Unmanned Air Vehicles (UAVs) and Unmanned Combat Aerial Vehicles (UCAV).

Information and Intelligence capability

- 2.27 A discussion of military capability is incomplete without mentioning the importance of information and intelligence. The key features of this include intelligence collection, surveillance and command and control. Australia’s intelligence community provides a vital role in collecting a range of intelligence which can assist defence decision-makers. Australia’s intelligence capability is provided through the:
- Australian Secret Intelligence Service

16 Information Research Service, *A Foundation Paper on Australia’s Maritime Strategy*, p. 35.

17 *Defence 2000, Our Future Defence Force*, 2000, p. 84.

- Australian Security Intelligence Organisation
 - Defence Intelligence Organisation
 - Defence Signals Directorate
 - Defence Imagery and Geo-spatial Organisation
 - Office of National Assessments
- 2.28 Australia's surveillance capability is provided through a range of sources including Australian Customs, Airborne Early Warning and Control Aircraft, when they enter service, JORN which became fully operational in April 2003, and Orion maritime patrol aircraft.
- 2.29 Command and control of the ADF is undertaken through Headquarters Australian Theatre. In addition, there is a single deployable joint task force headquarters and a second is being developed on the HMAS Kanimbla.

Military strategy historical developments

Dibb and the 1987 Defence White Paper

- 2.30 This discussion begins with the Dibb Report of 1986 and moves through to the present. The Dibb report, written towards the end of the Cold War, focused on the defence of Australia through layered defence and a strategy of denial and protection of the sea-air gap to Australia's north. The three elements of the strategy included intelligence and surveillance to detect incursion. The Jindalee Operational Radar Network (JORN), for example, is meant to support this part of the strategy. The second layer comprises air and sea naval forces, including strike capabilities to counter forces in the sea-air gap. The third layer comprises defensive capabilities closer to our shores including mine-counter measures, air defences and surface ships. The final layer of defences comprises ground forces to combat an aggressor if they penetrate the sea-air gap. The IRS stated:

Dibb's strategy was largely continental with force structure determined solely on the capability to defend the Sea-Air Gap. A strategy of denial gave little emphasis to promoting regional security, alliances and force projection in order to assist in shaping the regional and global security environment, specifically Dibb placed less emphasis on ANZUS and the Radford-Collins agreement than previous policies. Critics of the Dibb Report argued that it was too defensive and was isolationist, specifically

the report raised some concerns internationally about Australia's commitment to the region and its alliances.¹⁸

- 2.31 The criticisms above may be valid but, equally, if the Dibb report had proposed more sea control and power projection capabilities then criticisms could have been raised that the strategy was expansionist and military aggressive.
- 2.32 The 1987 Defence White Paper was heavily influenced by the Dibb report. The White Paper focused on the defence of Australia, through defending our northern approaches with a strategy of defence in depth. The criticisms of the 1987 White Paper focused on the divergence between the military strategy and the reality of military operations. This was partly addressed by the then Minister for Foreign Affairs and Trade who commented that while the ADF was designed for a defensive role, its capabilities 'provide a foundation for our capacity to contribute to a positive security environment through the exercise of what might be described as military diplomacy.'¹⁹

1994 Defence White Paper

- 2.33 The 1994 Defence White Paper was drafted in the context of the end of the Cold War. The then Defence Minister commented that 'end of the Cold War had 'fundamentally changed the global security environment', that no part of the globe was unaffected and that strategic circumstances have changed in the region and worldwide.'²⁰ The key issue is that while the threat of global war ended, regional instability increased. The critics of the 1994 Defence White Paper suggested that this chain of events should have led to a defence strategy which addressed regional instability. However, the White Paper continued to focus on the defence of Australia.

Australia's strategic policy 1997 (ASP97)

- 2.34 This statement focused more on the Asia Pacific region and put renewed emphasis on the US alliance. The term 'defence of Australia' was replaced with 'defeating attacks on Australia.' In particular, ASP97 stated that 'we need to recognise that regional conflicts—which may well relate directly to our security, or at least have a knock-on effect—are more likely than direct attacks on Australia.'²¹ ASP97, however, was still criticised for not having

18 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 10.

19 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 11.

20 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 12.

21 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 12.

a valid maritime strategy but only one element, namely sea denial. Dr Michael Evans, Head of the Land Warfare Studies Centre, commented that 'ASP97 upholds the narrow primacy of defending the Sea-Air Gap between Australia and the northern archipelagos rather than the sea-land-air gap that reflects the reality of littoral battlespace.'²²

Defence 2000

2.35 In the context of the inquiry, the key issue surrounding the current defence White Paper is whether it has enunciated a valid maritime strategy. The IRS's appraisal is that it has not. In the words of Dr Paul Dibb, the 2000 White paper is 'evolutionary' not revolutionary. The IRS commented that 'it was evolutionary in that it further matured the concept of defence of Australia and marked a shift towards the development of a maritime strategy, however it was not a significant change from previous defence policies.'²³

2.36 A key acknowledgement in Defence 2000 is that control of the sea-air gap is a joint operation. Defence 2000 commented that 'the nature of our air and sea approaches is such that a maritime strategy includes a vital and central role for land forces.'²⁴

2.37 Defence 2000 highlights the need to achieve sea control by stating that 'the ability to operate freely in our surrounding oceans, and deny them to others is critical to the defence of Australia, and to our capacity to contribute effectively to the security of our immediate neighbourhood.' However, the actual ability of the ADF to achieve sea control is disputed. The IRS states:

...the ADF's ability to achieve sea control in the Sea-Air Gap—which implies denying freedom of action to the enemy while maintaining your own freedom of action—except in confined areas for short periods of time, is questionable given the current and planned force structure. In particular the limited air defence capabilities of our surface ships until the air warfare capable ships come into service would mean that the ADF is reliant on land based aircraft for air defence which characteristically lack permanence and to some extent reach even with air-to-air refuelling.²⁵

22 cited in Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 12.

23 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 13.

24 *Defence 2000, Our Future Defence Force*, 2000, p. 47.

25 Information Research Service, *A Foundation Paper on Australia's Maritime Strategy*, p. 13

- 2.38 The view that the ADF lacks sea control power which is a key feature of a maritime strategy is also argued in a range of evidence to the inquiry. The following section discusses the key issues arising in the inquiry evidence.

Maritime strategy inquiry issues

- 2.39 The key issues raised in the inquiry question some of the core strategies and tenets raised in the 2000 Defence White Paper. In particular, some evidence has questioned whether it is feasible for a country of Australia's size to be self-reliant.
- 2.40 A further concern focuses on the weighting that is given to Australia's core defence objective, the Defence of Australia. Some analysts argue that the direct threat to Australian territory from conventional attack is low and there are significant lead times of five to 10 years that would be required to mount such an attack. The consequences of developing strategy and capability around this threat means that the ADF may not be best configured for activities that it is called upon to engage in all the time such as peacekeeping and low level operations overseas.
- 2.41 Evidence to the maritime strategy inquiry criticised the maritime strategy outlined in the 2000 Defence White Paper for only being sea denial which is only one aspect of a true maritime strategy. The following sections will examine these issues in more detail.

Maritime Strategy – sea denial or sea control?

- 2.42 As described in the maritime strategy concepts sections above, a true maritime strategy consists of, to varying degrees, sea denial, sea control and power projection. These component of a maritime strategy are not necessarily continuous but vary over space and time depending on strategic needs. Sea control and power projection, in particular, seek to influence events over the littoral. The Defence 2000 White Paper states:

The key to defending Australia is to control the air and sea approaches to our continent, so as to deny them to hostile ships and aircraft, and provide maximum freedom of action for our forces. That means we need a fundamentally maritime strategy.²⁶

- 2.43 Defence reiterated this position in its submission by commenting that 'a key feature of Australia's Military Strategy in defending Australia is to
-

achieve strategic control of Australia's maritime approaches.' Defence explained the concept of strategic control as involving:

- A pro-active strategy to maximise our freedom of manoeuvre in the air and sea approaches while denying freedom of action to a potential adversary.
- The ability to assert our will over an adversary in time and space, and deny an adversary's ability to position for, or conduct offensive operations against Australia and its interests.
- The projection of power into the region to support our national interests.²⁷

2.44 The dot points above suggest that the maritime strategy includes features of sea denial, sea control and power projection. However, this view is disputed in evidence to the inquiry. Commodore Alan Robertson commented that Australia's maritime strategy is in fact a continental strategy which utilises aspects of sea denial.²⁸ Similarly, the Australian Defence Association stated:

What the White Paper is describing is one limited element of a strategy of sea denial, not a maritime strategy. A true maritime strategy is one which uses all forces - land, sea and air - to further national objectives in a maritime context as distinct from a territorial context. The White Paper's concept of strategy is in fact a territorial or continental strategy rather than a maritime strategy with operations on or over the sea limited to protecting the approaches to the continent.²⁹

2.45 Dr Alan Ryan also suggested that the current maritime strategy was limiting in nature and instead should seek to 'enhance our ability to contribute to international stability, not focus on a parochial and increasingly irrelevant concept of territorial defence.'³⁰ Dr Ryan advocates the view that Australia needs to be able to adequately project power so that it can 'provide security and to help shape the international strategic environment.'³¹

27 Department of Defence, *Submission 29*, p. 6.

28 Commodore Alan Robertson, *Submission 1*, p. 1.

29 Australian Defence Association, *Submission 5*, p. 2.

30 Dr Alan Ryan, *Submission 13*, p. 2.

31 Dr Alan Ryan, *Submission 14*, p. 4.

The defence of Australia?

- 2.46 Defending Australia has and continues to be the number one strategic objective for the ADF. The Defence Update concludes, however, that 'the threat of direct conventional military attack on Australia has continued to decline since 2000.'³² Defence states:

Full-scale invasion is assessed to be highly unlikely in the short to medium term. It is expected that there would be sufficient warning to enable the ADF to expand to deal with the circumstance.³³

- 2.47 Mr Alastair Cooper suggested that a focus on defence of Australian territory was limiting and in contrast more value could be achieved by considering the defence of Australia's interests. Through raising this point Mr Cooper has raised consideration of a 'Big S' maritime strategy which would have regard for Australia's broader interests including, economic, environmental, societal and political. Mr Cooper stated:

The capacity of the ADO to defend Australia's interests outside the narrow range of the air/sea gap is tenuous at present and does not show prospects of improving relative to the forces which are in our region. The breadth and value of Australian interests, from fish stocks in the Antarctic to LNG shipping in the South China Sea, is not matched by the capability of the ADO. Australia's interests in the maritime environment and their economic value are only likely to increase. This will generate a commensurate interest in them, and it is likely that not all will be benign.³⁴

- 2.48 This view was also supported by the Centre for International Strategic Analysis (CISA) which commented that 'our business, leisure, diplomatic, economic, social, environment and therefore security interests are truly global as Australian citizens engage in many ways in the international community.'³⁵

- 2.49 The Australian Defence Association (ADA) raised similar views commenting that the White Paper fails to recognise that Australia's interests extend beyond national territory. In particular, the ADA pointed out that 'Australia's economic and therefore its political health depends heavily upon foreign, mainly seaborne trade.'³⁶ The ADA brought

32 Department of Defence, *Submission 29*, p. 5.

33 Department of Defence, *Submission 29*, p. 5.

34 Mr Alastair Cooper, *Submission 4*, p. 2.

35 Centre for International Strategic Analysis, *Submission 6*, p. 2.

36 Australian Defence Association, *Submission 5*, p. 4.

attention to the need for protection of vital sea lines of communications (SLOCs):

As far as we can determine, there is no mention in the White Paper of the need to protect merchant shipping as an Australian strategic interest and one that would require maritime strategic capabilities. Indeed, academic and departmental responses have tended to be dismissive, suggesting that the need does not exist or, alternatively, that Australia has no need for a capability of its own.³⁷

2.50 The Centre for Maritime Policy, University of Wollongong emphasised the importance of SLOCs by commenting that 'unlike in Europe and North America, very little international trade is carried in Asia-Pacific by road or rail, and seaborne trade has been the "engine" of regional economic growth.'³⁸ Defence stated:

The employment of ADF maritime assets in the protection of shipping would be quite selective. Our effort would likely be devoted to the protection of strategically important cargoes.³⁹

2.51 The issues that these groups are raising is significant because if Australia's long held strategic objectives are altered or the priority is changed in any way then this has flow on effects for capability. If significant changes are made to capital aspects of capability this may take 10 to 15 years to achieve. Dr Dibb warns that if the Defence of Australia as the key strategic objective is changed then this could undermine Australia's security in the longer term. He believes that there can be no complacency when it comes to the defence of Australia.

Capability development

2.52 Some of those groups that have suggested changes to Australia's maritime strategy have also addressed the issue of how this would influence capability. Mr Cooper commented that maritime forces will need expansion over the next five to 10 years. In particular, he drew attention to the following two areas:

- platforms capable of deploying throughout the region to represent and defend Australian interests against hostile attack.

37 Australian Defence Association, *Submission 5*, p. 5.

38 Centre for Maritime Policy, University of Wollongong, *Submission 8*, p. 2.

39 Department of Defence, *Submission 29*, p. 11.

- platforms capable of surveilling the AEEZ and enforcing Australian sovereignty.
- 2.53 The ADI submission also discussed the growing relevance of operations in the littoral and the need for significant lift capacity. ADI's submission discusses the need for a high speed sealift vessel.⁴⁰
- 2.54 Dr Alan Dupont brought attention to the decline in Army resourcing. He stated:
- In committing so much of the defence budget to the Navy and Air Force at the expense of the Army, the architects of our strategic doctrine pursued a policy that severely weakened the Army's capacity for force projection in the mistaken belief that air and naval power would suffice. This flawed policy was maintained despite a dramatic increase in the Army's operational tempo during the 1990s and in the face of professional, military advice.⁴¹
- 2.55 Mr Hugh White indicated that he would support the need for more light land forces and that by doing so you would not have to reduce your emphasis on air and maritime capabilities.⁴²

Australian defence industry and the merchant marine

- 2.56 A viable Australian defence industry is a feature of defence strategy based around self-reliance. One of the key issues shaping the industrial base is the concern that there is over capacity which has led to the Department of Defence encouraging industry to rationalise in order to sustain an effective industrial base. The key industry sectors include naval shipbuilding and repair, electronic systems, aerospace and land, and weapons systems. In relation to ship building, Defence has suggested that there is only enough work to sustain a single ship building prime in Australia. However, this proposal is yet to be approved and is criticised on the grounds of competitiveness and innovation.
- 2.57 A further issue that has been raised is the decline of the Australian merchant shipping fleet and implications this has for implementing an effective maritime strategy. For example, during the East Timor deployment, the ADF chartered 19 merchant ships all of which were foreign flagged. The Maritime Union of Australia discussed a range of concerns and concluded:

40 ADI Limited, *Submission 27*.

41 Dr Alan Dupont, *Submission 19*, p. 1.

42 Mr Hugh White, *Transcript*, p. 29.

The end result is that Australia simply does not have the merchant fleet available to support its own national security decisions. The economic rationalist erosion of policy has led to the exclusion of the merchant marine from our strategic defence programming.⁴³

43 Maritime Union of Australia, *Submission 12*, p. 4.

New Zealand Defence policy and maritime strategy

Introduction

- 3.1 New Zealand's defence framework has experienced significant change since 2000. A range of new policies have been released and force structure and capability are being adjusted to reflect the new policies. New Zealand's defence budget is relatively small and in conjunction with a threat assessment which virtually rules out an attack on New Zealand, the force structure is being scaled back. There is more focus on using the defence budget wisely and constructing a defence capability that has 'depth' rather than 'breadth'.
- 3.2 The current New Zealand Defence policy acknowledges that the New Zealand forces may operate outside New Zealand in support of peacekeeping efforts and in international coalitions.
- 3.3 In 1999, the New Zealand Parliament's Foreign Affairs, Defence and Trade (NZFADT) Committee tabled the report, *Defence Beyond 2000*. The NZFADT conducted its inquiry in the absence of a Government White Paper on Defence. The objective of the inquiry was to assess New Zealand's place in the world and its role in Asia-Pacific security. *Defence Beyond 2000* set out a range of defence priorities, proposed the need for greater interoperability and recommended that the headquarters structure be reviewed.
- 3.4 Government policy statements arising after *Defence Beyond 2000* have acknowledged the significance of the report. This chapter provides an

overview of the New Zealand Defence force and then reviews *Defence Beyond 2000* and the key government policy documents which followed.

- 3.5 The Committee met with key New Zealand Defence personnel including the Minister of Defence, the Secretary of the Department of Defence, the Chief of the Defence Force, the service chiefs and the commander Joint Forces. These meetings provided an overview of the key policy and force developments. In addition, the Committee was provided with copies of the key policy documents which are described in the following sections.

New Zealand Defence Force – overview

- 3.6 New Zealand's defence policy framework is built on the following five policy objectives which were enunciated in *The Government's Defence Policy Framework* (DPF) of June 2000:

- defence of New Zealand's Exclusive Economic Zone;
- a strong relationship with Australia;
- fulfilling our [New Zealand's] responsibilities in the Pacific Islands;
- an expanding role in the security dialogue of Asia; and
- a global approach.

- 3.7 The following sub-sections focus on key aspects of the New Zealand Defence Force (NZDF), including:

- defence force structure;
- capability;
- personnel; and
- defence spending.

Defence Force structure

- 3.8 The NZDF comprises Headquarters NZDF, the three Services (Navy, Army and Air Force) and Headquarters Joint Forces New Zealand. The Armed Forces of New Zealand comprise:

- The New Zealand Naval Forces, consisting of:
 - i. the Royal New Zealand Navy;
 - ii. the Royal New Zealand Naval Reserve;

- iii. the Royal New Zealand Naval Volunteer Reserve;
 - iv. the Naval Reserves; and
 - v. additional naval forces raised in time of war or other like emergency.
- The New Zealand Army, consisting of:
 - i. the Regular Force of the New Zealand Army;
 - ii. the Territorial Force of the New Zealand Army;
 - iii. the Army Reserve; and
 - iv. additional army forces raised in time of war or other like emergency.
 - The Royal New Zealand Air Force, consisting of:
 - i. the Regular Air Force;
 - ii. the Territorial Air Force;
 - iii. the Air Force Reserve; and
 - iv. additional air forces raised in time of war or other like emergency.
 - Headquarters Joint Forces New Zealand was raised on 1 July 2001.

Capability

- 3.9 Defence capability was restructured in accordance with the DPF. The key changes and objectives were outlined in the 8 May 2001 Defence statement *A Modern Sustainable Defence Force Matched to New Zealand's Needs*. The core requirement outlined in this paper 'is for land forces supported by a practical Navy and a refocused and updated Air Force.' This statement led to the disbandment of the air combat force. A subsequent *Maritime Forces Review* in 2002 'led to a decision on the requirement for a multi-role vessel, and a mix of inshore and offshore patrol vessels.'¹
- 3.10 The 8 May statement described the key components of the NZDF as being:
- A joint approach, structure and operational orientation;
 - A modernised Army;
 - A practical Navy fleet matched to New Zealand's wider security needs;
 - A refocused and updated Air Force; and
 - A funding commitment to provide financial certainty.

1 Ministry of Defence and New Zealand Defence Force, *The Defence Portfolio, Briefing to the Incoming Government, 2002*, p. 2.

3.11 The first stage of a **joint approach** was the establishment of Headquarters Joint Forces New Zealand at Trentham in 2001. The Committee visited Trentham on Monday, 7 April 2003. The Headquarters is now firmly established and fully operational. The 'next stage in the process is to reflect a joint approach to planning and to managing the NZDF and the Ministry at the strategic level.'² Appendix C provides an organisational chart of the New Zealand Defence Force showing the position of the Joint Forces New Zealand. An organisational chart of the Australian Defence Force is also provided for comparative purposes. The Defence Portfolio briefing to the incoming government made the following statements in relation to the Army, Navy and Airforce:

- 'The **modernisation of the Army** is being progressed with the acquisition of light armoured and light operational vehicles. New weapons, an intelligence, surveillance and reconnaissance capability, and support vehicles and equipment will round out the Army's capability. This is based on a structure of two infantry battalions within a brigade framework and provides a capacity to deploy and sustain a 600-900 personnel commitment for a year or 900-1200 personnel for six months.
- A **practical Navy** is being developed through the proposed acquisition of a new multi-role vessel and patrol vessels. The Navy requires the capability to undertake an extensive array of military and non-military tasks in a variety of environmental conditions in order to meet the Government's policy objectives.
- Following the disbandment of the air combat force in December 2001 the **Air Force is being refocused and updated** to ensure that it is fully equipped to meet current policy objectives. This will include projects to either upgrade or replace all of the aircraft in the Air Force: P-3 Orions, C-130 Hercules, Boeing 727s and Iroquois helicopters.'³

Personnel

3.12 The size of the NZDF, as at 1 June 2002, is shown in Table 3.1

² *The Defence Portfolio, Briefing to the Incoming Government, 2002, p. 9.*

³ *The Defence Portfolio, Briefing to the Incoming Government, 2002, p. 9.*

Table 3.1 New Zealand Defence Force - personnel as at 1 June 2002

	Regular	Non Regular	Civilian	Total
Navy	1947	377 (4)	441	2765
Army	4588	2008	632	7228
Air Force	2243	37 (5)	383	2663
HQ NZDF	196 (1)	0	355 (3)	551
HQ JFNZ	152 (2)	0	38	190
Total	8778	2422	1849	13049

Source Ministry of Defence and New Zealand Defence Force, *The Defence Portfolio, Briefing to the Incoming Government*, 2002, p. 46.

Defence spending

3.13 In New Zealand, the Department of Defence and the Defence Force have separate budgets. In 2002-03, the department will have a budget of \$11.719 million (note all financial figures are in New Zealand dollars) which will be spent in the following areas⁴:

	\$(000)	% of total Vote
Personnel costs	4,371	37
Operating costs	5,914	51
Capital charge	132	1
GST	1,302	11
Total	11,719	100

Source Ministry of Defence and New Zealand Defence Force, *The Defence Portfolio, Briefing to the Incoming Government*, 2002, p. 48.

3.14 The New Zealand Defence Force has approximately 13 000 employees, assets of \$3.2 billion and an annual operating budget of about \$1.4 billion.⁵

3.15 The budget is divided between the services in the following way:

- Army = 45%
- Air = 23%

4 *The Defence Portfolio, Briefing to the Incoming Government*, 2002, p. 48.

5 *The Defence Portfolio, Briefing to the Incoming Government*, 2002, p. 50.

- Navy = 22%
- HQNZDF = 7%
- HQJFNZ = 3%⁶

3.16 New Zealand defence spending has been falling during the past decade. If figures are adjusted to 2002-03 dollars, funding has been falling from about \$1.7 billion in 1992-93 to the current \$1.4 billion.⁷

Key New Zealand Defence policy statements

- 3.17 The review of key New Zealand Defence statements begins with the New Zealand Foreign Affairs, Defence and Trade report, *Defence Beyond 2000*. The Government's policy documents which followed were influenced by the findings of *Defence Beyond 2000*.
- 3.18 The Committee met with the NZ Foreign Affairs, Defence and Trade committee and discussed *Defence Beyond 2000*.

NZ Committee Report – *Defence Beyond 2000*

- 3.19 The inquiry into *Defence Beyond 2000* began in September 1997 and received about 60 submissions. An interim report was released in November 1998. The then NZ committee comprised:
- Hon Derek Quigley (Chairperson)
 - Hon Marie Hasler (Deputy Chairperson)
 - Geoff Braybrooke
 - Dr Wayne Mapp
 - Ron Mark (from February 1998)
 - Rt Hon Mike Moore
 - Matt Robson
 - Annabel Young (from May 1998)
- 3.20 Note that the current committee membership is listed at Appendix B.

6 *The Defence Portfolio, Briefing to the Incoming Government, 2002, p. 53.*

7 *The Defence Portfolio, Briefing to the Incoming Government, 2002, p. 54.*

3.21 The New Zealand Foreign Affairs, Defence and Trade Committee examined defence issues on the basis that there is no clearly defined threat to New Zealand. This provided the basis for the committee's view that 'security is more than defence.'⁸ At the same time, the committee conducted its review in the absence of a government white paper. One of the key findings of the committee was to prioritise objectives for the NZDF and then logically derive 'the most appropriate force capabilities.'

Figure 3.1 Meeting with the New Zealand Foreign Affairs, Defence and Trade Committee



3.22 The report argued that defence policy was not stand alone but contributed to broader security policy that gives 'due weight to economic, social and environmental interests.'⁹ This finding is similar to views raised in the inquiry into Australia's maritime strategy that defence strategy should satisfy broader Australian security interests.

3.23 The NZ committee identified the following strategic interests as opposed to strictly defence objectives:

- A secure New Zealand, including the resources of our exclusive economic zone.
- A political environment in the South Pacific in which communities continue to evolve in a climate of good governance and internationally agreed standards of compliance with human rights.

8 New Zealand Foreign Affairs, Defence and Trade Committee, *Inquiry into Defence Beyond 2000*, August 1999, p. 5.

9 *Inquiry into Defence Beyond 2000*, p. 5.

- A strong relationship with Australia in pursuit of common interests.
- An expanding role in South East and North East Asia in regional dialogue, with due regard to the disparities in military terms.
- A global approach to security which reflects the diversification of New Zealand's trade, the advantages of multilateralism, and the benefits of a collective response to security crises.

3.24 Sitting below these strategic objectives, the NZ committee set the following priorities for defence:

- Protection of New Zealand's interests, including the EEZ and responsibilities in the South Pacific.
- Contribution of forces for peace support purposes, particularly in coalitions of like-minded countries operating under a mandate from the United Nations.
- Provision of services to local communities in New Zealand.
- Assistance to the Police to maintain law and order, particularly through the provision of specialised skills and resources.
- Contribution of forces under collective security arrangements, noting that this is less likely than in the past, as more durable cooperation arrangements emerge in those areas that have traditionally been of most strategic and economic concern to New Zealand.
- Defence of New Zealand, noting that we are not likely, in the short to medium term at least, to face the direct use of armed force against us.¹⁰

3.25 *Defence Beyond 2000* acknowledged that as a result of globalisation there was an even greater need to ensure interoperability between the NZDF and international forces.

3.26 In relation to defence capability, the NZ committee recommended that there be more emphasis on a joint force approach. The committee commented that 'this joint approach would allow the NZDF to maintain independent control over a limited area of operations, and give the Government more flexibility.'¹¹ In addition, greater emphasis was given to preparedness and the ability to contribute to international forces quickly. The NZ committee commented that 'New Zealand's credibility as a country willing to carry its share of the international burden of

10 *Inquiry into Defence Beyond 2000*, p. 6.

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

maintaining peace and security depends on its ability to provide combat-ready forces quickly, and to sustain them.’¹²

3.27 In addition to these matters, the NZ committee commented on the headquarters structure, personnel, and procurement. In relation to the review of Defence headquarters, the NZ committee recommended that:

- The three single Service headquarters in Wellington should be dissolved, with their work rationalised and consolidated under the Secretary of Defence and the CDF.
- The three Chiefs of Staff should be located at camps/bases and, as heads of their three Services, be responsible for providing trained personnel and infrastructural support. They should not command operational forces.
- The CDF should command operational forces through a Joint Operational Commander (JOC), senior to the Chiefs of Staff. The JOC should command the naval, land force and air assets required for all operations and joint exercises.
- The Maritime, Land Force and Air Commands should be merged into the Joint Operational Headquarters commanded by the JOC.¹³

3.28 At the conclusion of discussions about defence issues, the New Zealand Foreign Affairs, Defence and Trade Committee discussed broader aspects of Australia-New Zealand relations. In particular, the New Zealand Committee discussed the conclusions and recommendations arising from its recent inquiry into New Zealand’s economic and trade relationship with Australia.¹⁴ The New Zealand Committee, in its report, acknowledged the importance of New Zealand’s relationship with Australia and, therefore, ‘sought to establish a vision for the long-term future of Closer Economic Relations (CER), beyond the general cooperation undertaken by both governments and the particular issues of the day.’¹⁵

3.29 Some of the key issues proposed by the New Zealand Committee include the formation of the ‘Australia New Zealand Economic Community (ANZEC), and the establishment of a Minister Responsible for the Relationship with Australia. In addition to these matters, the New Zealand committee recommended that:

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

13 *Inquiry into Defence Beyond 2000*, p. 6.

14 New Zealand Foreign Affairs, Defence and Trade Committee, *Inquiry into New Zealand’s economic and trade relationship with Australia*. April 2002.

15 *Inquiry into New Zealand’s economic and trade relationship with Australia*, p. 3.

- the [New Zealand] Government establish (at least annual) meetings of senior political, industry and academic leaders, modelled on the Konigswinter Conference;
- the [New Zealand] Government increase representation of New Zealand official interests in Australia, including additional consulates-general in some State capitals to assist the new ministerial position and to reflect the importance of the States and Territories in determining 'behind-the-border issues';
- the [New Zealand] Government, when it next considers the annual parliamentary travel programme, provides for stronger links between the parliaments of New Zealand and Australia (including the States and Territories), including greater opportunities for members of all the legislatures to have regular exchanges. It would be appropriate for five parliamentarians to participate in a two week study tour each year, including opportunities for them to have non-voting attachments to their counterpart parliamentary committees;
- the [New Zealand] Government discuss with Australia establishment of an ANZEC Institute on both sides of the Tasman. The Australian branch should be funded by the New Zealand Government, and vice versa;
- the [New Zealand] Government seek greater involvement with Australia in negotiating bilateral free trade agreements, particularly with the US, to ensure as much consistency as possible for access to the CER market in areas such as the threshold for rules of origin;
- the [New Zealand] Government discuss with Australia greater harmonisation of tax policies (not necessarily identical tax rates), including resolving the double taxation of imputation credits, to remove remaining impediments to trans-Tasman business activity; and
- the [New Zealand] Government consider, with Australia, funding a chair in a tertiary institution in the other's country, devoted to research and teaching on the trans-Tasman relationship.¹⁶

3.30 Sir Frank Holmes in an Institute of Policy Studies (IPS) Newsletter commented on the New Zealand Committee report and the New Zealand Government's response of 3 October 2002.¹⁷ The New Zealand Government response commented that the report 'represents a major

¹⁶ *Inquiry into New Zealand's economic and trade relationship with Australia*, pp. 3-4.

¹⁷ Sir Frank Holmes, 'An Australia-New Zealand Economic Community?' *IPS Policy Newsletter*, No. 71, November 2002, pp. 6-13.

contribution to the development of New Zealand's economic and trade relationship with Australia', which is uniquely close and valuable' and of 'vital significance to the economic well-being of New Zealanders.'¹⁸

- 3.31 The New Zealand Government was opposed to the establishment of a Minister Responsible for the Relationship with Australia, and was 'not in the position at this stage to support increased representation in Australia. The Government, however, did respond positively to increased parliamentary exchanges. Notwithstanding this, Holmes stated:

So far, the auguries for a positive outcome are not good. Neither government has given any indication that it wishes to lead such a debate. There has been very little discussion in the media on either side of the Tasman of issues that the Committee [New Zealand] regarded as of primary importance.¹⁹

- 3.32 Holmes noted that the New Zealand Committee suggested that the debate should not be limited to economic issues and should embrace a range of matters such as defence, security and movement of people in order to 'engage Australian interests.'²⁰ For example, Mr Peter Dunne, MP, the Chairman of the New Zealand Foreign Affairs, Defence and Trade Committee, at a meeting of the Christchurch Branch of the Defence Association, is reported to have said that the New Zealand and Australian armies and air force should be combined to increase both countries defence and surveillance resources.²¹

Conclusions

- 3.33 The New Zealand Foreign Affairs, Defence and Trade *Inquiry into New Zealand's economic and trade relationship with Australia* provides a range of positive proposals. The Committee supports measures to promote and enhance relations between the two countries. On the issue of measures to strengthen parliamentary relations, the sub-committee supports the need for greater information sharing between the two parliaments. The Committee will ensure that all reports of the Joint Standing Committee on Foreign Affairs, Defence and Trade are provided to the New Zealand Committee. Further, during the tabling of this report, the committees of the Senate and House of Representatives will be encouraged to send their reports, which have relevance to New Zealand, to the relevant New Zealand parliamentary committee.

18 cited in Holmes, 'An Australia-New Zealand Economic Community', p. 8.

19 Holmes, 'An Australia-New Zealand Economic Community', p. 10.

20 Holmes, 'An Australia-New Zealand Economic Community', p. 10.

21 *The Australian Financial Review*, 8 May 2003, p. 15.

- 3.34 The Committee is particularly interested in the New Zealand committee's proposal to strengthen links between the two parliaments by having two week study tours where visiting parliamentarians could have the opportunity for non-voting attachments to their counterpart committees. This proposal will be brought to the attention of the Presiding Officers of the Australian Parliament.
- 3.35 In relation to strengthening Defence and security relations between the two countries, the sub-committee will send this report to the Australian Minister for Defence and draw his attention to the ongoing debate about the need for increased defence ties.
- 3.36 The Australian Joint Standing Committee on Foreign Affairs, Defence and Trade will continue its positive relationship with the New Zealand Foreign Affairs, Defence and Trade Committee.

The Government's *Defence Policy Framework*, June 2000

- 3.37 The Committee was briefed by the Secretary of Defence, the Chief of the Defence Force and the Service Chiefs on the new Defence Policy Framework (DPF) and the Defence Force structure and capability.
- 3.38 The DPF of June 2000 stated that 'the Government's approach to defence has been substantially guided by, and builds on, the *Defence Beyond 2000 Report*, which was released last year by Parliament's Foreign Affairs, Defence and Trade Committee.'²²
- 3.39 The DPF drew on the key issues raised in *Defence Beyond 2000* including the need for a comprehensive approach to security, and noting that New Zealand's primary defence interests are protecting New Zealand's territorial sovereignty, meeting shared alliance commitments to Australia and fulfilling obligations and responsibilities in the South Pacific.
- 3.40 The DPF identified five key objectives for New Zealand's Defence policy, which closely reflect the objectives identified in the NZ committee's report. The five objectives include:
- 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;
-

22 Ministry of Defence, *The Government's Defence Policy Framework*, June 2000, p. 1.

- 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 appropriate multilateral peace support and humanitarian relief operations.²³

3.41 In relation to capability and force structure, the DPF stated:

Priority will be given to investing in force elements which are trained, equipped and maintained at appropriate levels of combat viability and readiness. Available resources will be concentrated in areas where they are most needed. This will mean a shift towards a range of military capabilities which are sustainable, safe and effective in combat and in peacekeeping, and structured for maximum operational and political impact.²⁴

3.42 The DPF listed seven principles which will help to reshape and structure the NZDF. These include:

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

3.43 In relation to the 'deployable' capability, the DPF commented that 'to be able to deploy and sustain our forces, particularly over large distances, requires a flexible and adaptable mix of air and sealift capabilities.'²⁵

3.44 The structure and capability of the NZDF was given more emphasis through a subsequent defence statement on 8 May 2001. This is reviewed in the next section.

23 Ministry of Defence, *The Government's Defence Policy Framework*, June 2000, p. 4.

24 *The Government's Defence Policy Framework*, June 2000, p. 6.

25 *The Government's Defence Policy Framework*, June 2000, p. 7.

A Modern, Sustainable Defence Force Matched to New Zealand's Needs, 8 May 2001

3.45 Five key components of the NZDF were emphasised in a *Sustainable Defence Force Matched to New Zealand's Needs* including:

- **a joint approach** to structure and operational orientation. From 1 July 2001 the Joint Force Operational Headquarters began operations at Trentham. In addition, a Maritime Coordination Centre will be established and co-located with the Joint Force Headquarters at Trentham.

Figure 3.2 The Committee with Major-General Martyn Dunn, Commander Joint Forces, NZ



- **a modernised Army.** The current structure of the Army continues to be based on two light infantry battalions within a brigade framework. These two battalions provide a capacity to sustain a 600-900 person commitment for a year and a 900-1200 size battalion for six months. Acquisition of new armoured vehicles, tactical communications, and light operational vehicles (LOV) to replace the Landrovers will address the major immediate equipment deficiencies. The LOV project is included in the Defence Long Term Development Plan. The LOV 'provides an essential capability to enable the Army to train and to participate in operations in the South Pacific, Asia-Pacific and

globally.²⁶ The New Zealand Government has approved in principle the acquisition of 308 LOVs for \$60-\$110 million.²⁷

- **a practical Navy fleet.** The two ANZAC frigates will continue in service. The requirement for an appropriate sealift capability will be considered as part of a review of the composition of our maritime surface fleet.
- **a refocused and updated Air Force.** The Orion fleet will be retained, and provided with a limited upgrade using good quality commercial systems wherever possible. The air combat forces were disbanded. This lowered the RNZAF's personnel by around 700 and represents a saving of NZ\$400 million over the next five years and NZ\$800 million over the next decade. The primary air force elements now comprise 5 Lockheed C-130H Hercules transports and 6 Lockheed P-3K Orion long-range maritime patrol aircraft.
- **a funding commitment to provide financial certainty.** There will be modest increases in the net operating funding for defence and total capital investment of more than two billion dollars over the next ten years.²⁸

Figure 3.3 Hon Bruce Scott, MP with the New Zealand Defence Minister, Hon Mark Burton, MP



3.46 The Information Research Service (IRS) commented that the 'New Zealand Army will receive the bulk of defence expenditure for new communications equipment and new armoured personnel carriers to

26 Defence Long Term Development Plan, 11 June 2003, p. 11.

27 Defence Long Term Development Plan, 11 June 2003, p. 11.

28 Ministry of Defence, *Sustainable Defence Force Matched to New Zealand's Needs*, pp. 2-3.

enable the New Zealand Defence Force to continue to contribute to international peacekeeping operations.’²⁹

- 3.47 In relation to sealift, the 8 May statement questioned the need for dedicated sealift ships but instead promoted the need for multi-role ships ‘which can undertake a number of roles in our region, including a limited tactical sealift capacity for such operations as disaster relief in the South Pacific.’³⁰
- 3.48 In relation to maritime patrol, the 8 May statement drew attention to the significant task of patrolling New Zealand’s EEZ which is fifteen times the size of its land area and the fourth largest in the world. Each year over 2400 ship visits carry about \$20 billion worth of trade. Fishing has a harvest value of \$1.5 billion, and the fishing industry contributes \$4.5 billion to the economy.

Figure 3.4 The Committee with Mr Graham Fortune, Secretary of Defence and Brigadier Clive Lilley



- 3.49 A government review of maritime patrol concluded that ‘better co-ordination and tasking arrangements were needed to match maritime patrol arrangements to all of New Zealand’s needs, and that a significant higher level of surveillance was required from both airborne and sea surface platforms.’³¹ The review recommended that a capacity for long-

29 Information Research Service, *A Foundation Paper on Australia’s Maritime Strategy*, p. 43.

30 *Sustainable Defence Force Matched to New Zealand’s Needs*, p. 7

31 *Sustainable Defence Force Matched to New Zealand’s Needs*, p. 8.

range maritime air patrol be maintained for both civilian purposes and military requirements.

Maritime Forces Review, January 2002

- 3.50 The *Maritime Force Review* (MFR) was preceded by the *Maritime Patrol Review* (MPR) of February 2001. The MPR placed more emphasis on trade and the economy than on military threat. The review commented that ‘assuming that there is no emergence of a military littoral threat, which according to most strategic analysis seems highly unlikely and was the basis of the Defence Policy Framework, the major demands will continue to be in the areas of fisheries, customs and marine safety including environmental protection.’³²
- 3.51 In addition, the MPR identified the need for New Zealand to have a single, independent, national Maritime Co-ordination Centre (MCC) that combines information management and operational activities in respect of the civil security of New Zealand’s maritime areas.’ The MCC is located at the Joint Force Headquarters at Trentham. Overall, the MPR signalled the need for increased coastal and mid-range offshore surveillance.
- 3.52 The MFR provided an opportunity to review the composition of the Navy’s surface fleet by taking into account:
- the civilian requirements for coastal and mid-range offshore capabilities;
 - the roles and obligations in the Ross Dependency and Southern Ocean; and
 - the need for sealift, including disaster relief and other tasks in the South Pacific.
- 3.53 The MFR specified that to be fiscally sustainable, ‘capital acquisition costs to meet this requirement must not exceed NZ\$500 million and operating costs must be accommodated within the NZDF baselines that were set as part of the 2001 Budget.’³³ The NZ Government’s overall objective is to ‘equip the Navy with a practical fleet that is modern, sustainable and matched to New Zealand’s needs.’³⁴ The MFR was conducted under the policy framework enunciated through the DPF, the 8 May 2001 Defence Statement and the Ministry of Foreign Affairs and Trade statement, *New Zealand’s Foreign and Security Policy Challenges*. The MFR stated:

32 Department of the Prime Minister and Cabinet, *Maritime Patrol Review*, February 2002, p. 10.

33 Ministry of Defence, *Maritime Forces Review*, January 2002, p. 2.

34 Ministry of Defence, *Maritime Forces Review*, January 2002, p. 2.

New Zealand's strategic environment is such that there is no obvious direct military threat to New Zealand. But there is growing pressure from non-traditional threats, especially in New Zealand's maritime environment, including the South Ocean. As a nation dependent on trade, New Zealand needs to be able to respond to those threats.³⁵

- 3.54 The MFR identified a series of policy gaps and then developed a maritime force to meet those gaps which included the need for inshore patrol vessels, offshore patrol vessels and a multi-role vessel.
- 3.55 New Zealand Defence officials outlined Project Protector which has the objective of equipping the Royal New Zealand Navy with a practical patrol and support fleet that is modern, sustainable and appropriate for New Zealand's particular requirements and environment. The suggested 'Protector' fleet is:
- one multi-role vessel – MRV;
 - two offshore patrol vessels – OPVs; and
 - five inshore patrol vessels – IPVs.
- 3.56 The MRV is expected to have the capability to undertake a number of roles including but not limited to tactical sea lift, surface patrol and at sea training. The program is currently in the Request for Proposals stage with a range of short listed companies. The vessel of joint interest is the OPV. Representatives from the Australian Department of Foreign Affairs and Trade, the Defence Material Office and Australian Customs have been briefed on the project and the expected capabilities of the OPV.

Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force (Hunn Report)

- 3.57 The New Zealand Defence organisation is based on two separate organisations. First, is the Ministry of Defence which is responsible for advising Government on defence policy, and for acquiring defence material after the decision to purchase has been made. The New Zealand Defence Force (NZDF) is responsible for its own finances and management, and providing the operational defence arm. This framework has been the subject of review through the Hunn Report released in March

35 Ministry of Defence, *Maritime Forces Review*, January 2002, p. 9.

2003.³⁶ In respect to the Ministry of Defence and NZDF, the Hunn Report stated:

Neither of these organisations has been working effectively. The NZDF has been riven with internal dissension, the result of continuing inter-service rivalry, while the single Services have not yet adjusted fully to the new demands of Joint Operations – the concept has been well launched and substantial progress made, but a great deal of work remains to be done. There is no overall NZDF strategic vision to pull the strands together and although there has been significant improvement in financial management, internal management systems at HQ have been weakened in the areas where strength is vital to obtain cohesion – they have also reinforced, through separation and duplication, the single Service mentality.³⁷

- 3.58 In relation to the separate defence organisations, the Hunn Report commented that the ‘objective in contemplating a defence structure should be to meld the military and civilian contributions into a single stream of advice and operations, not to keep them in separate boxes.’³⁸
- 3.59 The Minister of Defence, the Hon Mark Burton, MP, responded that ‘existing initiatives that support jointness, cooperation and collaboration between the Ministry of Defence, the New Zealand Defence Force and all three services will be reinforced and cemented.’³⁹ In particular, the Minister commented in relation to the Hunn Report and a range of internal and external recommendations that ‘all the recommendations closely mirrored its key organisational goal for Defence which is that all elements work together for national security.’⁴⁰
- 3.60 The Hunn Report commented on the authority of the CDF, the Chiefs of Staff and the Joint Force Headquarters. The role of the three service chiefs has been defined as being to ‘raise, train and sustain’. The Hunn Report commented that this description of the service chiefs ‘is more of a slogan than a clear definition of accountabilities and responsibilities.’ In relation to the Joint Forces Headquarters, the Hunn Report commented that ‘the component commanders under the Joint Force Commander are

36 Hunn, D. K., CMZM, *Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, 30 September 2002.

37 Hunn, D. K., CMZM, *Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, p. vi.

38 Hunn, D. K., CMZM, *Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, p. vii.

39 *New Zealand Defence Update*, April 2003, p. 1.

40 *New Zealand Defence Update*, April 2003, p. 1.

responsible and accountable to two masters for resource management – the Service Chiefs for force elements ready for operations, and the Joint Force Commander for force elements deployed on operations.’⁴¹ The Hunn Report stated:

The problems of aligning resource accountability and responsibility for outputs that are created by this approach, are a disincentive to evolving joint outputs. Equally, it reinforces the partition into single Service agencies, rather than fully joint agencies and adds another layer of management between the CDF and those actually responsible for delivering most of the external NZDF outputs.⁴²

Conclusions

- 3.61 New Zealand has structured its defence strategy and capability on the premise that there is no threat of conventional attack in the short to medium term. One of the outcomes of this has seen the air combat group disbanded. This is in stark comparison to Australia’s defence policy which places air combat as the most important single capability for the defence of Australia.
- 3.62 Some of the reasons for this different approach can be understood by considering the geo-strategic interests of the two countries. Australia is more heavily influenced by South-East Asia while New Zealand is more a South Pacific Nation. The IRS suggests that the self-imposed exile from the ANZUS Treaty and the 1985 anti-nuclear ships policy are further reminders of the divergence of strategic views between the two countries. The ANZUS rift continues to manifest itself in certain ways. For example, if Australia and the US are involved in Defence exercises in the region, New Zealand is precluded from participating.
- 3.63 Some analysts have debated whether the New Zealand approach to defence provides lessons for Australia. Australian academic Stewart Woodman, for example, suggests that New Zealand ‘is at the end of the slide that Australia is starting on.’⁴³ The Committee’s internship research paper concluded that ‘there is also the possibility that Australia is wrong,

41 Hunn, D. K., CMZM, *Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, p. x.

42 Hunn, D. K., CMZM, *Review of Accountabilities and Structural Arrangements between the Ministry of Defence and the New Zealand Defence Force*, p. x.

43 cited in Information Research Service, *A Foundation Paper on Australia’s Maritime Strategy*, p. 43.

and that in 15 or 50 years, we will be following a global trend, picked up by New Zealand in 1999, that views defence capabilities solely with respect to contribution to multinational forces, rather than self-reliant ability.⁴⁴ Mr Hugh White is more cautionary about abandoning Australia's overall military strategy. He states:

New Zealand has decided, under its present government, to more or less abandon what we would regard as a high-level air and maritime capability—the very capabilities that I said in my opening address are so important to Australia. It has indeed addressed the issues that I think this committee is grappling with that I was trying to address in my opening remarks and has come up with the opposite conclusion: that New Zealand does not feel it is likely to face any threat from high-level attack. It does think the key tasks for its armed forces are relatively low-level type tasks and, for that reason, it should optimise its armed forces towards the kinds of highly deployable light land forces you need to do those tasks.

That is a line of argument we are very familiar with. We have gone through that argument ourselves. We decided the other way.⁴⁵

- 3.64 Mr White made the point that the loss of New Zealand A4s (combat aircraft) should not be considered a serious loss. However, New Zealand's contribution of a highly deployable battalion put together for INTERFET was extremely beneficial to the coalition. Mr White commented that 'our chances of needing, using and having access to those battalions when we need them, in situations like East Timor, are actually quite high.'⁴⁶ The committee's internship research paper concluded that 'Australia should recognise New Zealand's up-coming Army capability as an asset to the overall joint force structure.'⁴⁷
- 3.65 The role of the Committee is not to appraise or question the policy choices and force structures of the New Zealand Government. However, it is fair to say that the policy framework is coherent and is a practical response to a realistic threat assessment. This decision is respected and the force capability that can be brought to bear, as shown through the East Timor commitment, was timely and a worthy contribution.

44 Internship paper prepared for the Hon Roger Price, MP, *Taking Alms Against a Sea of Troubles*, 2002, pp. 29-30.

45 Mr Hugh White, ASPI, Maritime Strategy Inquiry, *Transcript*, p. 40.

46 Mr Hugh White, ASPI, Maritime Strategy Inquiry, *Transcript*, p. 40.

47 *Taking Aims Against a Sea of Troubles*, Parliamentary Inter Program, Paper prepared for the Hon Roger Price, MP, 2002, p. 16.

3.66 The key objective of the Committee is to understand and where possible learn lessons from the New Zealand Defence policy framework that may have application in the current inquiry into Australia's maritime strategy. The issues and comparative lessons from the New Zealand visit will, where relevant, form part of the discussions of the final report on maritime strategy. However, at this point it is fair to identify the following areas that are of interest:

- the focus on broader security policy that takes account of economic, social and environmental interests with Defence policy being a subset of this broader security focus;
- the increased emphasis on a 'joint' approach to operations;
- the modernisation of the Army; and
- the capacity to deploy and sustain forces.

3.67 In relation to the level of cooperation and information sharing between the New Zealand Defence Force and the Australian Defence Force (ADF), the Committee will seek briefings from the ADF about the measures and initiatives that are in place to promote a strong and effective relationship. The Committee encourages the two defence forces to enhance, wherever possible, information sharing and interoperability so that in coalition operations, the Australian and New Zealand Defence Forces can together provide a highly effective force.

Generic briefings

Introduction

- 4.1 The focus of the visit to New Zealand was to examine Defence issues which relate to the Committee's inquiry into Australia's maritime strategy. In addition to receiving briefings on current developments in New Zealand defence policy, a range of general defence briefings and meetings was arranged. These briefings, while not directly related to maritime strategy, were beneficial by providing a wider appreciation of the New Zealand defence force and specific initiatives.
- 4.2 For example, while visiting the Burnham Army Base a briefing was provided on the Limited Services Volunteer Scheme. Through this scheme, New Zealand Army personnel provide training to unemployed persons to help develop skills, responsibilities and enhance confidence and attitudes in participants.
- 4.3 In relation to general defence issues, an alternative perspective was provided through a meeting with academics from the Institute of Policy Studies and the Centre for Strategic Studies, Victoria University of Wellington.
- 4.4 On the final day, briefings were provided at the Devonport Naval Base. An overview of the New Zealand Navy was presented culminating with a tour of a Bridge simulator. The visit to the Devonport Naval Base was particularly memorable as the Committee received a Mario welcome.
- 4.5 The final briefing of the visit, at the Royal New Zealand Air Force (RNZAF) Base, Auckland, Whenuapai, provided an overview of the

RNZAF structure and role. This chapter will discuss some of the key issues arising from these meetings.

Burnham Military Camp

4.6 The briefing at the Burnham Military Camp began with a discussion of the roles, goals and structure of 3 Land Force Group. The 3rd Land Force Group (LFG) provides a training and rotation function in support of NZ Defence objectives, and other support activities including:

- disaster relief;
- search and rescue;
- civil defence;
- Antarctic support;
- disposal of explosives;
- rural fire fighting;
- regional and community training;
- ceremonial and representational duties; and
- general community support.

4.7 While the discussions were broad ranging, a significant part of the briefing focused on the role and operations of the 3rd Regional Training Unit (3RTU). The mission of 3RTU is to 'provide individual training in order to allow 3LFG to meet directed outputs and to meet CDF/Chief of Army Directives on youth training.' The training role is divided into four branches including:

- regional training wing;
- driver training wing;
- LSV company; and
- youth life skills.

4.8 The youth training conducted by 3RTU includes the Limited Service Volunteers (LSV) program for 18 to 25 year old unemployed persons, and the Youth Life Skills (YLS) program for 12 to 17 year olds who are predominantly 'at risk.' These two programs are discussed in more detail in the following sections.

Youth Life Skills (YLS)

- 4.9 The role of the YLS is to 'provide training opportunities for youth to develop life skills in order that they may be better prepared to take their place within, and contribute too New Zealand society.' Participants are generally of secondary school age. Participants are not subject to military law although a military environment exists which helps students to develop a positive behaviour and attitude.
- 4.10 The Army's role in the YLS is to provide expertise in certain areas so that groups can learn to help themselves. Territorial Force (Reserve) Regiments assist the scheme by providing instructors and liaison in local areas. The funding for the program is provided primarily through the supporting organisation which can include:
- high school services academy schemes;
 - school alternate education programmes;
 - police youth groups;
 - truancy services;
 - youth prison service; and
 - Iwi youth programmes.
- 4.11 The YSL core components, which can be tailored to suit particular needs, and the time devoted to each is shown below:
- | | |
|------------------------------|-----------|
| ■ life skills courses | 5-12 days |
| ■ basic leadership course | 5 days |
| ■ advanced leadership course | 5 days |
| ■ team building | 1-5 days |
- 4.12 Some of the learning areas focus on:
- health and hygiene
 - communication skills
 - self discipline and motivation
 - teamwork and leadership
 - legal/community constable
 - drugs/alcohol and anger management
 - cultural awareness

- adventurous/outdoor activities, and
- sport.

Limited Services Volunteers (LSV)

- 4.13 The role of the LSV is to 'provide training to unemployed people to develop skills, responsibilities and discipline to enable them to function in day to day life in New Zealand society.' The key aim of the program is to 'develop the self discipline, confidence and attitude of the trainees to enhance their employment opportunities.' Participants for the course must be:
- 18 to 25 years old;
 - free from serious convictions;
 - medically fit for 'moderate' physical activity;
 - be registered unemployed through the Department of Work and Income;
- 4.14 Participants are referred through, and funding is provided by, the Department of Work and Income (DWI). The NZDF provides for the facility and staff costs. Staffing for the program is tri-Service but procedures are Army. The LSV is only provided at the Burnham Camp. A memorandum of understanding exists between the DWI and the NZDF.
- 4.15 In contrast to the YLS, trainees are subject to military law. There are 5 to 6 courses per year, each of six weeks in duration. The maximum number of trainees per course is 144.
- 4.16 While the YLS is not vocationally specific it has a generic objective of developing attitudes and behaviour which can help lead to employment. Some of the key qualities that are emphasised include:
- learning to apply self-discipline;
 - respect for self, others and community, organisations and the team;
 - time management and punctuality;
 - healthy and positive lifestyle;
 - goal setting; and
 - presentation skills.
- 4.17 The LSV, in its current form has been running since 1993 although earlier versions of the program go back to the 1980s.

- 4.18 Of those participants that start each course, 85% complete the program. The main reason for leaving relates to medical issues. Only about 1% of participants leave of their own choice. Some of the key outcomes of the course include about two thirds of participants moving from unemployment benefits to vocational training or employment. Between 5 to 10 percent joint the NZDF.

Figure 4.1 The Committee at Burnham Military Camp, NZ



Conclusions

- 4.19 The key messages that came through during the briefings about the Youth Life Skills (YLS) and Limited Service Volunteers (LSV) programs are the positive support from the public, the clear benefits and sense of achievement for participants, and the training rewards for defence force personnel involved in the program. The programs clearly have merit and the NZDF should be proud of its contribution to the needs and development of New Zealand youth.
- 4.20 Programs like this which utilise defence personnel and defence property do not currently operate in Australia. However, the review of the New Zealand YLS and LSV make it timely to consider and evaluate the role of the Australian Defence Force (ADF) in contributing implicitly and explicitly to broader community goals. While the ADF's prime focus is defence of Australia there is a range of community support roles which it performs. The recent airlift and evacuation following the Bali Bombings and engineering support teams to assist the Canberra community following the January 2003 bushfires are two recent examples.
- 4.21 In view of the wider contribution that the ADF makes to community outcomes, the Committee will scrutinise this aspect of ADF operations as

part of its review of the 2002-03 Defence Annual Report. The Committee will consider the current community roles performed by Defence and whether there is capacity for further contributions in this area. In particular, the Committee will pursue with Defence the opportunity to implement similar programs to the New Zealand YLS and LSV.

Institute of Policy Studies and Centre for Strategic Studies, Victoria University of Wellington

- 4.22 A wide ranging discussion on Defence and strategic issues was held with academics of the Institute of Policy Studies and the Centre for Strategic Studies, Victoria University of Wellington. Some of the issues discussed focused on the causes and consequences of world terrorism, instability in the South Pacific, and the need for adequate protection, surveillance and control of economic exclusion zones (EEZ).
- 4.23 In addition to these complex issues, the discussion focused on the economic, Defence and strategic relationship between Australia and New Zealand. These issues were examined in a number of journal articles presented during the discussions. Sir Frank Holmes, in a journal article, raised concerns about New Zealand's policy directions in defence arguing that 'New Zealand's capacity limitations strengthen the case for a joint trans-Tasman approach to defence strategy and oceans policy'.¹
- 4.24 Holmes suggests that the key reason why New Zealand and Australia have been 'drifting apart has been their different attitudes towards defence and security.'² In particular, Holmes cites the abolition of the air combat group, reduction in the Orion anti-submarine capability, and the decision not to purchase a third ANZAC frigate as examples of an erosion of warfighting skills.³ Holmes notes that New Zealand is according greater priority to achieving greater depth in the Army. In Holmes appraisal this force structure has reduced military options and created a force 'geared to peacekeeping and civilian functions such as patrolling New Zealand's national waters.'⁴

1 Holmes, Frank, 'An ANZAC Union?', *IPS Policy Paper*, No. 14, 2002, p. 1.

2 Holmes, Frank, 'An ANZAC Union?', p. 5.

3 Holmes, Frank, 'An ANZAC Union?', p. 5.

4 Holmes, Frank, 'An ANZAC Union?', p. 6.

4.25 Holmes commented that the 'extent to which New Zealand's defence capacity has been eroded is a serious obstacle to the improvement of relations with Australia.'⁵ Holmes stated:

...New Zealand's capacity limitations strengthen the case for a joint trans-Tasman approach to defence strategy. We should not have unilaterally shut down our air strike capacity. We should be working out very carefully what the effects will be on our forces ability to train and work effectively with key partners. We should be deciding together with Australia how best we can use our limited resources to provide for the defence of our own shores and make our distinctive contributions to collective security and international peacekeeping.

Similar considerations apply to oceans policy. The possibilities of a fisheries agreement are currently under review.⁶

4.26 The issue of an oceans policy was examined by Mr Peter Cozens in a paper presented to a meeting in Canberra of the Council for Security Cooperation in the Asia Pacific (CSCAP) during August 2002.⁷ Cozens discusses some of the difficulties and instabilities existing in Oceania or the South Pacific most notably in East Timor, Fiji, Solomons, Bougainville, PNG and West Papua or Irian Jaya.⁸ In particular, Cozens noted the significance of the need to carefully manage and control 200 mile Exclusive Economic Zones (EEZs). EEZ's are typically rich in economic resources containing over 90% of commercially exploitable fish stocks. In addition, 87% of the world's known submarine oil deposits fall within the 200 mile limits.⁹ In view of the significance of EEZs the overarching policy of managing these zones is often referred to as an Oceans Policy.

4.27 Cozens concluded that an 'Oceans Policy for the countries of Oceania is a matter of great strategic significance.'¹⁰ Cozens suggested that this was an area where New Zealand and Australia could offer assistance in developing these resources. Cozens commented that the 'common resource of all the countries of Oceania is the sea – a comprehensive

5 Holmes, Frank, 'An ANZAC Union?', p. 6.

6 Holmes, Frank, 'An ANZAC Union?', p. 6.

7 Cozens, Peter, 'Security in Oceania – An Oceans Policy?' *IPS Policy Newsletter*, No. 71, November 2002, pp. 16-18.

8 Cozens, Peter, 'Security in Oceania – An Oceans Policy?', p. 16.

9 Cozens, Peter, 'Security in Oceania – An Oceans Policy?', p. 17.

10 Cozens, Peter, 'Security in Oceania – An Oceans Policy?', p. 18.

Oceans Policy may well be the way or vehicle by which Antipodeans could offer the much needed assistance'.¹¹

- 4.28 In addition, Cozens posed the question of how could CSCAP contribute to the debate. Cozens commented that the 'Pacific Islands Forum has now been admitted to observer status within CSCAP and it is appropriate for both CSCAP Australian and CSCAP New Zealand to reflect on the situation in Oceania and a means in which CSCAP can bring its not inconsiderable expertise to begin engineering a solution to the unfortunate circumstances so clearly evident in our neighbourhood.'¹²
- 4.29 CSCAP is non-government organisation providing a process for dialogue on security issues in the Asia-Pacific. CSCAP had its origins in 1992 at a meeting in Seoul when representatives of a range of strategic studies centres decided that 'there was a need to provide 'a more structural regional process of a non-governmental nature ... to contribute to the efforts towards regional confidence building and enhancing regional security through dialogues, consultation and cooperation.'¹³ An agreement to establish CSCAP was reached in June 1993 through the Kuala Lumpur Statement.

Conclusions

- 4.30 The roundtable discussion with academics from the Institute of Policy Studies (IPS) and Centre for Strategic Studies (CSS), Victoria University of Wellington provided an alternative perspective on defence, economic and security issues covering the relationship between Australia and New Zealand and the broader South Pacific region. In particular, the views about the need to further develop and manage the defence and security relationship between the two countries is noted.
- 4.31 During the discussion, the New Zealand panel noted the work of Australian academics and defence analysts and in particular Mr Hugh White, Director of the Australian Strategic Policy Institute who has demonstrated an interest in New Zealand Defence and security issues. In particular, the suggestion was made that there could be merit in New Zealand defence analysts working more closely with Australian defence analysts. This view will be conveyed to a range of Australia defence analysts, many of whom give evidence before the Committee.

11 Cozens, Peter, 'Security in Oceania – An Oceans Policy?', p. 18.

12 Cozens, Peter, 'Security in Oceania – An Oceans Policy?', p. 18.

13 <http://www.cscap.org/about.htm>

- 4.32 The prospect of enhanced academic and research relations between New Zealand and Australia focusing on the various elements of the relationship has merit. The New Zealand Foreign Affairs, Defence and Trade Committee acknowledged this as demonstrated through a range of recommendations in its recent report on the Inquiry into New Zealand's economic and trade relationship with Australia.¹⁴ Some of these recommendations were discussed in detail in Chapter three.
- 4.33 A further issue arising from the meeting with the IPS and CSS was the need for an effective oceans policy. Australia's has a large economic exclusive zone and a significant responsibility in relation to maritime safety. There is merit in Australia and New Zealand enhancing their efforts in cooperating and managing jointly, where possible, their EEZs and maritime safety services.
- 4.34 During the meeting with the IPS and the CSS, the work of the Council for Security Cooperation in the Asia Pacific (CSCAP) was noted. CSCAP is a non-government organisation providing a process for dialogue on security issues in the Asia-Pacific. The Chair of the Committee, Senator Alan Ferguson, is a nominal member of the Australian Committee of CSCAP which meets twice yearly. In addition to these meetings, a General Conference is held every two years in a host nation. In 2001 the General Conference was held in Australia and in December 2003 the General Conference will be held in Indonesia.
- 4.35 In view of CSCAP's objectives and the ongoing interest of the Committee in security issues in regions that Australia is a part of, there would be merit in some members of the Committee attending, as observers, CSCAP General Conferences.

Recommendation 1

- 4.36 **The Committee recommends that the Australian Strategic Policy Institute (ASPI) and the Strategic and Defence Studies Centre at ANU be encouraged to examine with their NZ counterparts opportunities for joint research projects. The Ministers for Defence and Foreign Affairs should consider whether any additional resources are needed for this activity.**

14 New Zealand Foreign Affairs, Defence and Trade Committee, Inquiry into New Zealand's economic and trade relationship with Australia, April 2002.

Recommendation 2

- 4.37 **The Committee recommends that the Presiding Officers give consideration to the proposal that some members of the Committee attend, as observers, General Conferences of the Council for Security Cooperation in the Asia Pacific (CSCAP).**

Devonport Naval Base, Auckland

- 4.38 The visit to the Devonport Naval Base, Auckland began with a Maori welcome at the Te Taua Moana Marae. Some members have witnessed these ceremonies before but this ceremony was particularly moving and solemn. At the conclusion of the ceremony, a briefing and tour of the Base was provided. A particular highlight of the visit was a tour through an operations and navigation training facility and a demonstration on a Bridge simulator which provides an effective means of training personnel in navigation and sea faring. It was noted during the briefing that Australian Naval personnel, at various times, use the training facilities.
- 4.39 In relation to recruitment, the New Zealand Defence force personnel advised that all positions in the Defence force were open to females.

Ministry of Foreign Affairs and Trade

- 4.40 While the focus of the visit was on New Zealand's defence policies and programs, the Committee is also conducting a watching brief on the war on terrorism. An objective of the watching brief is to assess the capacity of the Commonwealth Government and its agencies in coordinating the immediate response to, and managing the consequences of, a terrorist attack. In view of this responsibility, the delegation met with officials from the New Zealand Ministry of Foreign Affairs and Trade and received advice about New Zealand's domestic counter terrorism measures.
- 4.41 Following the events of 9-11, New Zealand moved to implement a series of measures which were the basis of United Nations Security Council resolution 1373. New Zealand passed the Terrorism Suppression Act which seeks to suppress the financing of terrorism. The New Zealand Government also announced counter-terrorist measures across

government including customs, immigration, intelligence, police and defence. Funding was increased by NZ\$30 million over the next three years. This funding was targeted at the following areas:

- Border protection efforts by Customs and the Immigration Service
- Increased capacity for the collection and evaluation of foreign and domestic intelligence by the intelligence agencies;
- The establishment within Police of an intelligence and investigation unit dedicated to counter terrorism and the provision of police liaison officers in London and Washington;
- The establishment of capability to respond to a terrorist emergency of a chemical or biological nature; and
- The strengthening of the protective security measures for the parliamentary complex.¹⁵

4.42 In relation to aviation, a series of measures have been taken to improve security and counter potential threats. For example, in 2001, the New Zealand Cabinet agreed that all domestic passengers would be screened.

4.43 On 1 April 2003 the New Zealand Minister for Foreign Affairs and Trade, the Hon Phil Goff, indicated that a new Counter Terrorism Bill would create new offences and provide new powers.¹⁶ Some of the new offences under the Bill include:

- improper use or possession of nuclear material;
- threatening to use such material;
- importing, acquiring or possessing radioactive material with the intention of causing injury;
- and knowingly possessing, using, making, exporting or importing unmarked plastic explosives.

4.44 Mr Goff indicated that the Bill would be referred to the New Zealand Foreign Affairs, Defence and Trade Committee for a report by 31 July 2003.

15 New Zealand Ministry of Foreign Affairs and Trade website:
<http://www.mfat.govt.nz/foreign/rsd/campaignterrorism.html>

16 Minister for Foreign Affairs, the Hon Phil Goff, Press Release, Counter Terrorism Bill creates new powers, offences, 1 April 2003.

RNZAF Base Auckland, Whenuapai

4.45 The final meeting of the four day visit was with Royal New Zealand Air Force personnel at the RNZAF Base Auckland, Whenuapai where 485 Wing is based. 485 Wing has a personnel strength of a about 1 100 and comprises:

- No. 3 Squadron - Naval Support Flight (Seasprite);
- No. 5 Squadron - (Orion);
- No. 40 Squadron - (Hercules and Boeing 727);
- RNZAF Parachute Training and Support Unit, a training school for Air Force police dogs;
- the RNZAF Aviation Medicine Unit; and
- the NZDF Command and Staff College.

4.46 A detailed description of the role and operation of the NZ Defence Force Command and Staff College (NZDFCSC) was provided. The NZDFCSC which was established in 1950 is administered on an agency basis by the Royal New Zealand Air Force (RNZAF). The college is the highest level provider of residential professional military education in New Zealand.

4.47 The courses offered are at flight lieutenant or equivalent rank for the Junior Staff Course (JSC) and squadron leader or equivalent rank for the Staff Course (SC). The JSC is of eight weeks duration and primarily a single service course. In contrast, the SC is 'joint' and of seven months in duration. Both courses are residential in nature. The college syllabus is divided into five modules comprising:

- communication skills;
- command studies;
- operational studies;
- strategic studies; and
- international relations.

4.48 The difference between the JSC and the SC is the degree of intensity of study. Incorporated into the core modules of study, the programme undertaken on the SC consists of four stand-alone university papers:

- command studies;
- joint services campaigning;

- New Zealand's strategic environment; and
- international relations.

4.49 In addition, the following two stand-alone modules are undertaken in conjunction with Headquarters Joint Forces New Zealand:

- JSC: NZ Introduction to Joint Warfare Course (1 Week); and
- SC: Australian Defence Force Warfare Centre-Joint Operations Planning Course (2 Weeks)

Senator Alan Ferguson
Chairman
17 June 2003



Appendix A – List of meetings and visits

Monday, 7 April 2003 Wellington

1. Australian High Commissioner, His Excellency Robert Cotton
2. Meeting with New Zealand Defence officials
 - Air Marshal Bruce Ferguson, OBE, AFC, Chief of Defence Force
 - Mr Graham Fortune, Secretary of Defence
 - Brigadier Clive Lilley, Deputy Chief of Staff
3. Headquarters, Joint Forces New Zealand, Trentham, Major-General Martyn Dunn, Commander Joint Forces
4. Meeting with the New Zealand Foreign Affairs, Defence and Trade Select Committee

Tuesday, 8 April 2003 Wellington

5. Honourable Mark Burton, MP Minister of Defence
6. Right Honourable Jonathan Hunt, MP, Speaker of the House of Representatives
7. National War Memorial – Wreathlaying Ceremony
8. Institute of Policy Studies and Centre for Strategic Studies, Victoria University of Wellington
9. New Zealand Parliament Question Time

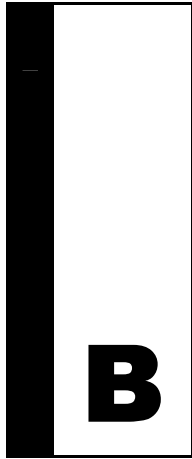
10. Ministry of Foreign Affairs and Trade
11. Honourable Bill English, MP, Leader of the Opposition
12. Honourable Ken Shirley, MP, ACT Party Defence Spokesperson

Wednesday, 9 April 2003
Christchurch

13. Burnham Military Camp
14. RNZAF Museum, Wigram

Thursday, 10 April 2003
Auckland

15. Devonport Naval Base
16. RNZAF Base Auckland, Whenuapai



Appendix B – New Zealand Parliamentary Committee Membership

Foreign Affairs, Defence and Trade Committee

Hon Peter Dunne, Chairperson

Graham Kelly (Deputy Chairperson)

Tim Barnett,

Martin Gallagher

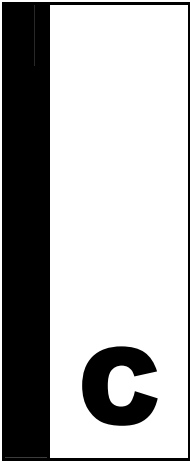
Keith Locke

Dr Wayne Mapp

Ron Mark

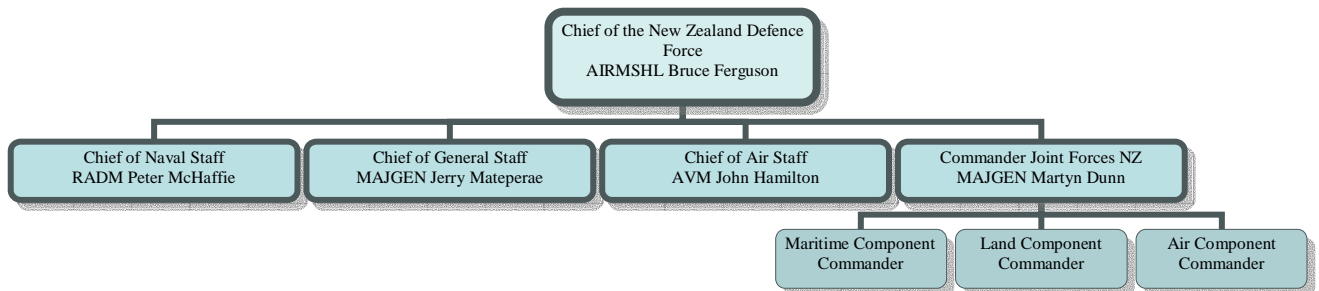
Hon Matt Robson

Dr the Hon Lockwood Smith.



Appendix C – New Zealand and Australian Defence Force organisational charts

NEW ZEALAND DEFENCE FORCE ORGANISATIONAL STRUCTURE



AUSTRALIAN DEFENCE FORCE ORGANISATIONAL STRUCTURE

