



Cabinet External Relations and Security Committee

Minute of Decision

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Strategic Defence Policy Review 2018

Portfolio **Defence**

On 8 May 2018, the Cabinet External Relations and Security Committee:

- 1 **noted** New Zealand's Defence policy has been reviewed;
- 2 **agreed** Defence's contribution to national security be organised using the construct of Community, Nation, World;
- 3 **agreed** that acting in a lead or supporting role, Defence contributions to national security outcomes are to:
 - 3.1 support New Zealand's community and environmental wellbeing and resilience;
 - 3.2 promote a safe, secure and resilient New Zealand, including its border and approaches;
 - 3.3 contribute to maintaining New Zealand's prosperity via secure, sea, air and electronic lines of communication and access to space-based services;
 - 3.4 contribute to the maintenance of the international rules-based order;
 - 3.5 contribute to New Zealand's network of strong international relationships;
- 4 **noted** that Defence principles have been articulated and that Defence Force priorities and roles have been updated to reflect the Government's foreign policy and national security priorities;
- 5 **agreed** to the Defence principles:
 - 5.1 Defence is combat capable, flexible and ready: The core purpose of the Defence Force is to deliver military effects. Combat capabilities are of fundamental importance. The Defence Force forms a core component of New Zealand's broader national resilience, typically operating alongside and in support of other agencies. The Defence Force's capabilities enable it to deliver a broad range of activities that support New Zealand's overall wellbeing;
 - 5.2 Defence personnel are highly-trained professionals: Whether in regular force, reserve or civilian roles, Defence Force personnel are professionally trained and skilled to succeed;

- 5.3 Defence has the resources to meet Government's operational and strategic priorities: The Defence Force is equipped and resourced to meet the operational requirements placed on it by Government, and Defence is positioned to respond to the changing strategic environment;
- 5.4 Defence operates in ways that maintain public trust and confidence: Defence Force activities are subject to civilian control, exercised through the Minister of Defence and the Cabinet more generally. Defence is transparent and open with the New Zealand public, and through its domestic partnerships and activities demonstrates its commitment to New Zealand;
- 5.5 Defence embodies and promotes New Zealand's values: Both domestically and offshore, the Defence Force operates in accordance with and promotes New Zealand's enduring values. Internationally, the Defence Force is an agent of New Zealand's independent foreign policy, acts to promote New Zealand as a good international citizen, and supports the international rules-based order. The Defence Force operates in accordance with domestic and international law, including the Law of Armed Conflict and International Humanitarian Law;
- 5.6 Defence is a credible and trusted international partner: In supporting New Zealand's interests, Defence makes credible contributions to New Zealand's international security partnerships. This includes in particular contributing to meeting New Zealand's commitment as an ally of Australia. The Defence Force is able to add value to international coalitions and other combined operations, and is interoperable with New Zealand's key security partners;

6 **agreed** to the following Defence priorities:

- 6.1 Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and its neighbourhood from the South Pole through to just below the Equator. This encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy;
- 6.2 The Defence Force must be prepared to operate independently, and lead combined operations, in these areas if required;
- 6.3 New Zealand's national security and interests nevertheless depend on events further afield. Increasing challenges to Asia-Pacific security in particular, including undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide, including in the Middle East, in support of the maintenance of the international rules based order;

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

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

7 **agreed** to the following Defence roles:

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

7.2 Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives;

7.3 Meet New Zealand's commitments to its allies and partners;

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

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

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

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

7.8 Contribute to advancing New Zealand's international relationships;

7.9 Work with other agencies to monitor and understand New Zealand's strategic environment;

7.10 Be prepared to respond to sudden shifts in the strategic environment;

8 **agreed** the *Strategic Defence Policy Statement 2018* attached at Annex D of the paper under ERS-18-SUB-0008;

9 **directed** the Ministry of Defence to prepare a version of the *Strategic Defence Policy Statement 2018* for public release;

10 **noted** that shortly Defence will provide a proposal for replacement of the P-3 Orion maritime surveillance and patrol fleet;

- 11 **noted** that advice on Defence capability and funding will be the subject of subsequent papers toward the end of 2018;
- 12 **agreed** an unclassified version of the proposed *Strategic Defence Policy Statement 2018* will be produced and launched at an appropriate public event(s), supported by a range of engagements with relevant domestic and international audiences;
- 13 **agreed** that approval of the unclassified version of the Policy Statement be delegated to the Prime Minister, Minister of Foreign Affairs and the Minister of Defence.

Vivien Meek
Committee Secretary

Present:

Rt Hon Jacinda Ardern
Rt Hon Winston Peters (Chair)
Hon Kelvin Davis
Hon Grant Robertson
Hon Andrew Little
Hon David Parker
Hon Stuart Nash
Hon Ron Mark

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Officials Committee for ERS
Office of the Deputy Prime Minister

Hard-copy distribution:

Minister of Defence

Chair
Cabinet External Relations and Security Committee

STRATEGIC DEFENCE POLICY REVIEW 2018

Proposal

1. This paper seeks Cabinet's agreement to a *Strategic Defence Policy Statement 2018* that will inform subsequent advice on Defence capability and funding.

Executive Summary

2. I directed officials to review New Zealand's strategic Defence policy settings, to ensure alignment with this Government's priorities. The proposed new policy settings that have been identified in the course of that review are contained in the *Strategic Defence Policy Statement 2018*.
3. For the first time, this policy statement introduces a set of principles to describe Government's fundamental and enduring expectations of the role Defence plays in promoting New Zealand's interests, and the manner in which Defence operates.
4. The *Strategic Defence Policy Statement 2018* explicitly recognises the important role Defence plays in promoting the overall wellbeing and resilience of New Zealand, its communities and environment. The Statement frames Defence's value to New Zealand through the lens of **Community, Nation and World**, and adds to and updates the Defence outcomes accordingly.
5. This policy statement sets out a more challenging and complex strategic environment, in which the international rules-based order – a foundation for New Zealand's security and prosperity - is coming under increasing pressure from three broad forces.
6. Defence's priorities and the principal roles of the Defence Force have been updated to reflect: Government's policy priorities; the new principles; the Community, Nation, and World lens; and New Zealand's evolving strategic environment.
7. This statement affirms the priority Government places on the Defence Force's ability to operate in New Zealand and its neighbourhood. It also affirms the importance of Defence's ability to contribute to supporting regional and global security and to maintaining the international rules-based order.
8. Detailed capability requirements to satisfy New Zealand's updated Defence policy settings will be developed in the context of the Defence Capability Plan Review 2018, to be delivered before the end of this calendar year. The proposed Strategic Defence Policy Statement 2018 nevertheless identifies the challenges that will need to be addressed in that capability review, and sets out some particular capability elements that the capability review should examine: enhanced maritime surveillance and response, cyber, and space. It is Defence's intention that should any additional costs be identified as a result of this Review, they would be met through proposing trade-offs in other areas of Defence Capability.

9. In June, Defence will submit a proposal to replace the current fleet of six P-3 Orion maritime patrol aircraft with four P-8 Poseidon aircraft. The proposed *Strategic Defence Policy Statement 2018* provides a basis for Cabinet consideration of that proposal against this Government's priorities and policy settings.
10. I propose an unclassified version of the *Strategic Defence Policy Statement 2018* should be prepared for public release. I further propose that this version of the policy statement should be launched at a public event, supported by a range of engagements by officials and myself with relevant domestic and international audiences.

Background

11. In February 2018, I advised the Prime Minister that an early priority for the Defence portfolio was a review of strategic Defence policy settings to ensure these were aligned with the Government's foreign policy and national security priorities.
12. The review of strategic policy settings is an important precursor to the review of the Defence Capability Plan signalled in our coalition agreement. It provides the policy basis against which to test force structure and capability intentions to ensure that the Defence Force is staffed and equipped to undertake the roles and tasks Government expects from it.
13. On 2 February 2018, I approved the Terms of Reference that direct the review:
- examine and describe New Zealand's evolving geostrategic environment, including identifying changes since the publication of the *Defence White Paper 2016*, and draw in particular on the findings of the *Strategic Defence Assessment 2017-18*
- and within that context:
- test New Zealand's Defence outcomes and priorities as articulated in the *Defence White Paper 2016*
 - test the roles and tasks of the Defence Force as set out in the *Defence White Paper 2016*
 - at a high level, examine the broad capabilities required to ensure the Defence Force's ability to deliver effects in the context of any recommended policy changes.
14. The Strategic Defence Policy Review was undertaken by the Ministry of Defence in consultation with the New Zealand Defence Force. The Review was guided by a cross-agency Chief Executives Governance Group chaired by Defence with members including the Chief Executives from the Ministry of Foreign Affairs and Trade and the Department of the Prime Minister and Cabinet, and representation from the Treasury.
15. A separate and independent review of Defence procurement practice is currently underway. That review will report to the Minister of Finance and me in May before we bring the results and recommendations to Cabinet.
16. In June I will be bringing Cabinet a proposal to replace the P3 Orion maritime surveillance and patrol aircraft. The Review will inform those considerations by providing an update of

the strategic environment, trends and the range of tasks for which we may employ our maritime surveillance and patrol assets.

17. I have previously signalled our broad comfort with the policy settings of the *Defence White Paper 2016*, but the need to review and calibrate these settings to ensure they are aligned with this Government's foreign policy and national security priorities and account for New Zealand's evolving strategic environment.

Principles underpinning New Zealand's Defence policy

18. Currently the principles that underpin our Defence policy are not formally recorded. Establishing a set of principles to underpin our Defence policy is useful as this would provide enduring foundations when considering the priorities and principal roles for Defence.
19. In the *Strategic Defence Policy Statement 2018*, I propose the following principles to underpin our Defence policy:
- **Defence is combat capable, flexible and ready:** The core purpose of the Defence Force is to deliver military effects. Combat capabilities are of fundamental importance. The Defence Force forms a core component of New Zealand's broader national resilience, typically operating alongside and in support of other agencies. The Defence Force's capabilities enable it to deliver a broad range of activities that support New Zealand's overall wellbeing.
 - **Defence personnel are highly trained professionals:** Whether in regular force, reserve or civilian roles, Defence Force personnel are professionally trained and skilled to succeed.
 - **Defence has the resources to meet Government's operational and strategic priorities:** The Defence Force is equipped and resourced to meet the operational requirements placed on it by Government, and Defence is positioned to respond to the changing strategic environment.
 - **Defence operates in ways that maintain public trust and confidence:** Defence Force activities are subject to civilian control, exercised through the Minister of Defence and the Cabinet more generally. Defence is transparent and open with the New Zealand public, and through its domestic partnerships and activities demonstrates its commitment to New Zealand.
 - **Defence embodies and promotes New Zealand's values:** Both domestically and offshore, the Defence Force operates in accordance with and promotes New Zealand's enduring values. Internationally, the Defence Force is an agent of New Zealand's independent foreign policy, acts to promote New Zealand as a good international citizen, and supports the international rules-based order. The Defence Force operates in accordance with domestic and international law, including the Law of Armed Conflict and International Humanitarian Law.
 - **Defence is a credible and trusted international partner:** In supporting New Zealand's interests, Defence makes credible contributions to New Zealand's international security partnerships. This includes in particular contributing to meeting New Zealand's commitment as an ally of Australia. The Defence Force is able to add value to

international coalitions and other combined operations, and is interoperable with New Zealand's key security partners.

New Zealand's national security objectives

20. New Zealand's national security system has seven key objectives as set out in the *National Security System Handbook*¹:
- **Preserving sovereignty and territorial integrity:** Protecting the physical security of New Zealand citizens, and exercising control over its territory;
 - **Protecting lines of communication:** These are both physical and virtual and allow New Zealand to communicate, trade and engage globally;
 - **Strengthening international order to promote security:** Contributing to the international rules-based system, and engaging in targeted interventions offshore to protect New Zealand's interests;
 - **Sustaining economic prosperity:** Maintaining and advancing the economic wellbeing of New Zealand individuals, families, businesses and communities;
 - **Maintaining democratic institutions and national values:** Preventing activities aimed at undermining or overturning government institutions, principles and values that underpin New Zealand society;
 - **Ensuring public safety:** Providing for, and mitigating risks to, the safety of citizens and communities; and
 - **Protecting the natural environment:** Contributing to the preservation and stewardship of New Zealand's natural and physical environment.
21. Defence works with and supports a wide range of government agencies to protect and advance all seven of these security objectives, and is part of the governance arrangements that coordinate and manage any government response. Defence takes a leading role in advancing some of these objectives and plays more of a supporting role in others, but in many respects is responsible for contributing to the maintenance of the domestic and international environment in which these objectives can be protected and advanced.

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

22. The *Defence White Paper 2016* recognises Defence's contribution to national and external security. It does not, however, adequately recognise the significant contribution that Defence makes to New Zealand's community resilience and wellbeing. To address this omission I propose that the *Defence Policy Statement 2018* uses a *Community, Nation, World* construct to make clear Defence's contribution to all parts of our national security and wellbeing.

¹ Department of the Prime Minister and Cabinet, August 2016

23. Examples of Defence activities that can be expressed through this construct include:

Community:	<ul style="list-style-type: none"> • Domestic search and rescue activities • Support to civil defence emergency management responses • Support for fisheries protection operations • Transport and logistics support for conservation activities • Support for youth development programmes such as the Limited Service Volunteers • Support for veterans
Nation:	<ul style="list-style-type: none"> • Defending New Zealand's territory • Border protection • Supporting biosecurity responses • Supporting Police to respond to domestic terrorism incidents and trans-national crime • Monitoring and responding to activity in New Zealand's expansive maritime domain • Supporting New Zealand's Antarctic activities • Protecting New Zealand's physical and electronic lines of communication • Supporting Ministry of Civil Defence and Emergency Management with national level planning and response to emergencies
World:	<ul style="list-style-type: none"> • Meeting New Zealand's commitments to its allies and partners • Supporting peace and security in the South Pacific • Supporting United Nations and coalition operations to uphold the international rule of law • Responding to natural disasters outside of New Zealand • Contributing to advancing New Zealand's international relationships

24. In the *Strategic Defence Policy Statement 2018*, I am proposing a new set of outcomes to which Defence is to contribute, acting in a lead or supporting role. The table below sets out these outcomes, framed in the *Community, Nation and World* lens. The table also indicates the priorities of this Government on which these outcomes will provide greater emphasis.

Defence outcomes		Emphasises Government's expectation of increased focus on:
Changes are in bold type .		
Community:	<ul style="list-style-type: none"> • Supports New Zealand's community and environmental wellbeing and resilience. 	<ul style="list-style-type: none"> • Community and social wellbeing • Environmental and resource protection • Biosecurity • Climate change
Nation:	<ul style="list-style-type: none"> • Promotes a safe, secure and resilient New Zealand, including on its borders and approaches. • Contributes to maintaining New Zealand's prosperity via secure air, sea and electronic lines of communication and secure access to space-based services. 	<ul style="list-style-type: none"> • Environmental and resource protection • Border protection • Biosecurity • Pacific Security • Climate change • Antarctica and the Southern Ocean • Defence cyber activities
World:	<ul style="list-style-type: none"> • Contributes to the maintenance of the international rules-based order. • Contributes to New Zealand's network of strong international relationships. 	<ul style="list-style-type: none"> • Pacific Security • Climate change • Antarctica and the Southern Ocean • Security partnerships • Disarmament and non-proliferation • Multilateralism and the International rules-based order

25. Annex A provides a side-by-side comparison of the contributions to national security outcomes listed in the *Defence White Paper 2016* with those of the *Strategic Defence Policy Statement 2018*.

The strategic outlook

26. How the Government chooses to configure and equip its Defence Force is heavily influenced by New Zealand's strategic environment and an understanding of how it is likely to change. These aspects are examined in a Defence Assessment undertaken by the Secretary of Defence, in consultation with the Chief of the Defence Force, under the provisions of the Defence Act 1990.

Strategic Defence Assessment 2017-18

27. The *Defence White Paper 2016* was informed by a formal Defence Assessment undertaken in 2014. The White Paper directed more regular and focussed assessments between each major Defence Assessment. The *Strategic Defence Assessment 2017-18* was the first of these assessments which, in conjunction with the 2014 Defence Assessment, has informed this review.

28. The key findings of the *Strategic Defence Assessment 2017-18* were that:

- states s6(a) are pursuing greater influence in ways that contest international norms s6(a)
- challenges to open societies and Western liberalism threaten to reduce the willingness of open liberal states to champion the rules-based order
- complex disruptors, including an array of effects from climate change, new technologies changing the nature of conflict, extremist ideologies, national and regional tensions, and transnational organised crime disproportionately affect open societies and weak states and are catalysts for disorder.

Implications for New Zealand's national security interests

29. The foundation of international security is shifting while New Zealand will face intensifying disruptors closer to home. Climate change, transnational organised crime, resource competition, s6(a) will disrupt our neighbourhood, including our extensive maritime area, in complex and compounding ways.
30. Supporting stability in the Asia-Pacific, from countering violent extremism in Southeast Asia to supporting de-nuclearisation of North Korea, will increase in importance. s6(a)
[REDACTED]
31. As challenges to the international rules-based order intensify – from our neighbourhood (i.e. Antarctica to the South Pacific) to the Middle East and further afield – it will remain in New Zealand's vital interest to act in support of the order. While we will conduct some

missions on our own, most New Zealand Defence Force deployments will be undertaken alongside other government agencies and our international partners.

32. The implications of the diminishing consensus in support of the international rules-based order underscores the importance of our relationships with our traditional partners for our security and economic wellbeing. Maintaining strong Defence and security ties with our traditional partners is an important part of our broader bilateral relationships.
33. It is therefore critical for the Defence Force to maintain and develop capabilities that support it to operate effectively with others. This involves developing complementary capabilities as appropriate, ensuring mutual familiarity (developed through personnel exchanges and exercising), and the compatibility of communications and command and control systems. Interoperability is key to New Zealand's strong international reputation as a valued, credible defence partner and ally to Australia.
34. As old capabilities are replaced, new capabilities are acquired and operating procedures are modernised. To be able exercise command and control, navigate and operate battlefield management systems that are interoperable with our partners, the Defence Force is becoming increasingly reliant on information networks and space based systems.
35. The domains of cyber and space bring both vulnerabilities and opportunities. Increased use of cyber and space based capabilities will enhance Defence's operational effectiveness and interoperability with key partners but it also creates vulnerabilities from attack or denial of access to those systems.
36. Defence will have to act in new ways and at new levels to protect New Zealand's values and interests.

Strategic Defence Policy Statement 2018

37. The proposed *Strategic Defence Policy Statement 2018* whilst broadly a continuation of the policy outlined in the *Defence White Paper 2016*, has been updated to address the changes in the strategic environment identified in the *Strategic Defence Assessment 2017-18* and adjusted to reflect this Government's priorities.
38. Decisions about the capabilities and operations of the Defence Force are grounded in clear expectations of the roles the Defence Force is to undertake. These roles, and the priorities that support them, are framed within New Zealand's national security interests, and informed by the evolving strategic environment.

Defence priorities

39. New Zealand's reliance on the international rules-based order for economic prosperity through international trade means that we are highly dependent on global peace and security. Instability and disorder in any part of the world adversely affects New Zealand. The *Strategic Defence Policy Statement 2018* proposes the following Defence priorities (new or changed wording in **bold**):
- Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and **its neighbourhood, from the South Pole through to just below the Equator. This**

encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy.

- The Defence Force must be prepared to operate independently, and lead combined operations, in these areas if required.
- **New Zealand's national security and interests nevertheless depend on events further afield. Increasing challenges to Asia-Pacific security in particular, including undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide, including in the Middle East, in support of the maintenance of the international rules-based order.**
- Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated peace support operations. Even within New Zealand's neighbourhood, such combined operations will be increasingly likely. **The Defence Force must be able to operate effectively with New Zealand's key security partners, in particular with our ally Australia. This will have implications for Defence capability choices and for the shape of Defence's international relationships.**
- **In coming years the Government will face increasing demands for Defence Force contributions to operations both within New Zealand's immediate region and further afield, and across the spectrum of tasks.** Government will maintain a high level of discretion as to the size and nature of New Zealand's contributions to such operations outside New Zealand's immediate neighbourhood. Decisions on such operations will consider New Zealand's national security interests, New Zealand's international relationships, and the threats associated with any deployment.

40. Annex B provides a side-by-side comparison of the priorities listed in the *Defence White Paper 2016* with those of the *Strategic Defence Policy Statement 2018*.

Defence roles

41. I propose minor amendment of the current principal roles of the Defence Force to better reflect the Government's foreign policies and national security priorities, including to emphasise Defence's contributions to national, community and environmental wellbeing and resilience (new or changed wording in **bold**):
- Defend New Zealand's **sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication.**
 - Contribute to national, **community and environmental wellbeing and resilience, and whole-of-government** security objectives.

- Meet **New Zealand's** commitments to its allies and partners.
 - Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean.
 - **Conduct a broad range of** operations in the South Pacific, including leading operations when necessary, **to protect and promote regional peace, security and resilience.**
 - Make a credible contribution in support of peace and security in the Asia-Pacific region, **including in support of regional security arrangements.**
 - Protect New Zealand's wider interests by contributing to international peace and security and the international **rules-based order.**
 - Contribute to advancing New Zealand's **international relationships.**
 - **Work with other agencies to monitor and understand New Zealand's** strategic environment.
 - Be prepared to respond to sudden shifts in the strategic environment.
42. Together, the Defence priorities and principal roles describe Government's expectations for the Defence Force's ability to operate. Government's decisions about where to deploy the Defence Force and types of missions to be undertaken within these priorities and roles will be determined in practice by local, national, and global events.
43. Annex C provides a side-by-side comparison of the principal roles listed in the *Defence White Paper 2016* with those of the *Strategic Defence Policy Statement 2018*.

A range of options for Government

44. The Government maintains a high degree of choice about how New Zealand responds to any situation, particularly with respect to deployments beyond our immediate region. New Zealand is unlikely to operate independently in these areas, where contributions would consist of support to wider international efforts. Choices range from diplomatic action to military options scaling from deployment of trainers through to combat capabilities.

Strategic Defence Policy Statement 2018

45. The proposed *Strategic Defence Policy Statement 2018* introduces principles to underpin Defence policy. The principal roles and tasks for the Defence Force have been updated to take account of changes within the strategic environment and updated to reflect this Government's priorities. The proposed *Strategic Defence Policy Statement 2018* is attached at Annex D.

Defence capabilities

46. Detailed capability requirements to satisfy the proposed Strategic Defence Policy Statement 2018 and the financial implications will be developed in the context of the Defence Capability Plan Review 2018 to be undertaken in the second half of 2018. The Capability Review will make recommendations for the update of the Defence Capability Plan and seek to align the

Defence Capability Plan with the Government's fiscal strategy. It is Defence's intention that should any additional costs be identified as a result of this Review, they would be met through proposing trade-offs in other areas of Defence Capability.

47. The proposed *Strategic Defence Policy Statement 2018* nevertheless identifies the challenges that will need to be addressed in that capability review, and sets out some particular capability elements that the capability review should examine.
48. In coming years the Defence Force will very likely be called upon to undertake an increasing number of interventions in New Zealand's neighbourhood to protect and promote New Zealand's national security and foreign policy interests. This will present capacity challenges in terms of concurrency and sustainment.
49. At the same time, there will be challenges maintaining operational effectiveness and interoperability with New Zealand's key security partners in increasingly complex threat environments with rapid cycles of technology evolution.
50. A number of the Defence Force's major capability platforms are at or approaching their end of service. Managing the introduction of replacement capabilities will be a major focus in coming years. In balancing the competing priorities within limited resourcing, the Defence Force will need to ensure that its capabilities continue to be combat capable to provide the Government with options for credible and valued contributions to international operations, or to operate independently closer to home if required.
51. In terms of particular capabilities, the proposed *Strategic Defence Policy Statement 2018* identifies three areas for development:
- improving maritime domain awareness and response
 - strengthening resilience of access to space based systems
 - continuing to enhance Defence's cyber capabilities.
52. To meet Government's requirements, the Defence Force will continue to need a mix of capabilities with broad utility whilst maintaining the Defence Force's ability to deliver combat effects. In addition to delivering tasks in support of national resilience in New Zealand's territory and neighbourhood, the Defence Force will also need capabilities that are interoperable with our partners and be credible contributions to international efforts.

Next Steps

53. In June Defence will submit a proposal to replace the current fleet of six P-3 Orion maritime patrol aircraft with four P-8 Poseidon aircraft. The proposed *Strategic Defence Policy Statement 2018* will provide Cabinet a basis to consider that proposal against this Government's priorities and policy settings.
54. Once the strategic policy settings for Defence have been agreed, the review of the *Defence Capability Plan 2016* signalled in our Coalition Agreement will be initiated. That review will ensure that the future purchases are aligned with this Government's foreign policy and national security priorities. If the attached *Strategic Defence Policy Statement 2018* is

agreed, I anticipate bringing an updated Defence Capability Plan for Cabinet's consideration toward the end of this year.

Consultation

55. The following agencies have been consulted in the development of this paper: The Ministry of Foreign Affairs and Trade, the Treasury, the State Services Commission, the Department of the Prime Minister and Cabinet (Security & Intelligence Group, Policy Advisory Group and Ministry of Civil Defence and Emergency Management), the New Zealand Police, the New Zealand Security Intelligence Service, the Government Communications and Security Bureau, the Ministry for Primary Industries, the New Zealand Customs Service, and the Ministry of Business, Innovation and Employment.

Financial, Human Rights, Legislative, Gender and Disability Implications

56. There are no financial, human rights, legislative, gender or disability implications associated with this paper.

Publicity

57. The proposed *Strategic Defence Policy Statement 2018* is a significant expression of this Government's national security and foreign policy settings. Accordingly, I propose an unclassified version of the Statement be prepared for public release, [REDACTED] s6(a) [REDACTED]. I propose this version of the policy statement be launched at an appropriate public event (or events).
58. To support this public release, I further propose that officials and I undertake a range of engagements with relevant domestic and international audiences. Such engagements would help to ensure informed commentary of the Statement's contents and understanding on the part of New Zealand's international partners. These engagements would include discussions with New Zealand academics, speeches at relevant international events (notably the upcoming Shangri-La Dialogue), and briefings for representatives of New Zealand's key defence and security partners.
59. I request delegation for the unclassified version of the Statement to be approved by the Prime Minister, Minister of Foreign Affairs and myself.

Recommendations

60. I recommend the Committee:
- 60.1 **note** New Zealand's Defence policy has been reviewed
- 60.2 **agree** Defence's contribution to national security be organised using the construct of *Community, Nation, World*

60.3 **agree** that acting in a lead or supporting role, Defence contributions to national security outcomes are to:

- support New Zealand's community and environmental wellbeing and resilience
- promote a safe, secure and resilient New Zealand, including its border and approaches
- contribute to maintaining New Zealand's prosperity via secure, sea, air and electronic lines of communication and access to space-based services
- contribute to the maintenance of the international rules-based order
- contribute to New Zealand's network of strong international relationships.

60.4 **note** that Defence principles have been articulated and that Defence Force priorities and roles have been updated to reflect the Government's foreign policy and national security priorities

60.5 **agree** to the Defence principles:

- **Defence is combat capable, flexible and ready:** The core purpose of the Defence Force is to deliver military effects. Combat capabilities are of fundamental importance. The Defence Force forms a core component of New Zealand's broader national resilience, typically operating alongside and in support of other agencies. The Defence Force's capabilities enable it to deliver a broad range of activities that support New Zealand's overall wellbeing.
- **Defence personnel are highly-trained professionals:** Whether in regular force, reserve or civilian roles, Defence Force personnel are professionally trained and skilled to succeed.
- **Defence has the resources to meet Government's operational and strategic priorities:** The Defence Force is equipped and resourced to meet the operational requirements placed on it by Government, and Defence is positioned to respond to the changing strategic environment.
- **Defence operates in ways that maintain public trust and confidence:** Defence Force activities are subject to civilian control, exercised through the Minister of Defence and the Cabinet more generally. Defence is transparent and open with the New Zealand public, and through its domestic partnerships and activities demonstrates its commitment to New Zealand.
- **Defence embodies and promotes New Zealand's values:** Both domestically and offshore, the Defence Force operates in accordance with and promotes New Zealand's enduring values. Internationally, the Defence Force is an agent of New Zealand's independent foreign policy, acts to promote New Zealand as a good international citizen, and supports the international rules-based order. The Defence Force operates in accordance with domestic and international law, including the Law of Armed Conflict and International Humanitarian Law.

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

60.6 **agree** to the following Defence priorities:

- Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and its neighbourhood from the South Pole through to just below the Equator. This encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy.
- The Defence Force must be prepared to operate independently, and lead combined operations, in these areas if required.
- New Zealand's national security and interests nevertheless depend on events further afield. Increasing challenges to Asia-Pacific security in particular, including undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide, including in the Middle East, in support of the maintenance of the international rules-based order.
- Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated peace support operations. Even within New Zealand's neighbourhood, such combined operations will be increasingly likely. The Defence Force must be able to operate effectively with New Zealand's key security partners, in particular with our ally Australia. This will have implications for Defence capability choices and for the shape of Defence's international relationships.
- In coming years the Government will face increasing demands for Defence Force contributions to operations both within New Zealand's immediate region and further afield, and across the spectrum of tasks. Government will maintain a high level of discretion as to the size and nature of New Zealand's contributions to such operations outside New Zealand's immediate neighbourhood. Decisions on such operations will consider New Zealand's national security interests, New Zealand's international relationships, and the threats associated with any deployment.

60.7 **agree** to the following Defence roles:

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

- Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives.
- Meet New Zealand's commitments to its allies and partners.
- Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean.
- Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience.
- Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements.
- Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order.
- Contribute to advancing New Zealand's international relationships.
- Work with other agencies to monitor and understand New Zealand's strategic environment.
- Be prepared to respond to sudden shifts in the strategic environment.

- 60.8 **agree** the *Strategic Defence Policy Statement 2018* attached at Annex D
- 60.9 **direct** that the Ministry of Defence prepare a version of the *Strategic Defence Policy Statement 2018* for public release
- 60.10 **note** that shortly Defence will provide a proposal for replacement of the P-3 Orion maritime surveillance and patrol fleet
- 60.11 **note** that advice on Defence capability and funding will be the subject of subsequent papers toward the end of this year
- 60.12 **agree** an unclassified version of the proposed *Strategic Defence Policy Statement 2018* will be produced and launched at an appropriate public event(s), supported by a range of engagements with relevant domestic and international audiences.
- 60.13 **agree** that approval of the unclassified version of the Policy Statement be delegated to the Prime Minister, Minister of Foreign Affairs and the Minister of Defence.

Hon Ron Mark
MINISTER OF DEFENCE

May 2018

Defence's Contribution to National Security Outcomes

The *Defence Policy Statement 2018* recognises Defence's contribution to all parts of our national security and wellbeing using a construct of: *Community, Nation, World*.

This construct provides the means to recognise the significant contribution that Defence makes to the areas on which this Government wants to provide greater emphasis including: community and social wellbeing, environmental and resource protection, biosecurity, border protection, climate change, Pacific security, Antarctica and the Southern Ocean, Defence cyber activities, Security partnerships, disarmament and non-proliferation, and multilateralism and the International rules-based order.

Defence White Paper 2016 wording	Strategic Defence Policy Statement 2018 wording
Community	
[No explicit contribution]	Supports New Zealand's community and environmental wellbeing and resilience
Nation	
the promotion of a safe, secure and resilient New Zealand, including its border and approaches	Promotes a safe, secure and resilient New Zealand, including its border and approaches
the maintenance of New Zealand's prosperity via secure, sea, air and electronic lines of communication	Contributes to maintaining New Zealand's prosperity via secure, sea, air and electronic lines of communication and access to space based services
World	
the preservation of the international rules-based order which respects national sovereignty	Contributes to the maintenance of the international rules-based order
a strong network of international relationships	Contributes to New Zealand's network of strong international relationships

Defence Priorities

The Defence Force maintains a broad set of capabilities that can be employed for responses ranging from domestic extreme weather events or other natural disasters through to contribution to international coalitions in combat operations. The Defence Priorities listed below ensures the Defence Force focuses effort on preparing forces for the Government's priorities.

Defence White Paper 2016 wording	Strategic Defence Policy Statement 2018 wording
<p>The Government's highest priority for Defence is its ability to be able to undertake tasks in New Zealand and our Exclusive Economic Zone, Antarctica and the Southern Ocean. Given New Zealand's interests and obligations, the South Pacific is the next priority.</p>	<p>Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and its neighbourhood from the South Pole through to just below the Equator. This encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy.</p>
<p>In practice, this means that the Defence Force must be prepared to operate independently, or lead operations, in these areas if required. It also means that deployments beyond the immediate region should not undermine New Zealand's capacity to respond to security crises closer to home.</p>	<p>The Defence Force must be prepared to operate independently, and lead combined operations, in these areas if required.</p>
<p>The strategic outlook suggests that events occurring outside of our immediate region and the South Pacific are having a greater impact on New Zealand's interests. Deepening geostrategic competition in Asia, for example, has heightened the risk of conflict in this critical region. It is important that New Zealand is able to contribute Defence resources to operations beyond the immediate region if required.</p> <p>New Zealand's Defence deployments beyond the South Pacific will most likely be as part of operations led by our partners, or as part of peacekeeping activities mandated by the United Nations. The ability to operate effectively with other defence forces, particularly Australia, will remain an important focus for the development of our military capability, and for many of our defence relationships.</p>	<p>New Zealand's national security and interests nevertheless depend on events further afield. Increasing challenges to Asia-Pacific security in particular, including undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide, including in the Middle East, in support of the maintenance of the international rules-based order.</p> <p>Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated operations. Even within New Zealand's neighbourhood, such combined operations will be increasingly likely. The Defence Force must be able to operate effectively with New Zealand's key security partners, in particular with our ally Australia. This will have implications for Defence capability choices and for the shape of Defence's international relationships.</p>

Recognising that there are likely to be growing demands on the Defence Force in the future, the government maintains a high level of discretion as to the size and nature of New Zealand contributions beyond the South Pacific.

Government decisions related to whether the Defence Force should deploy, and what that contribution would consist of, is balanced by a range of considerations. These include, but are not limited to, New Zealand's security interests, including the nature and extent of New Zealand's relationships in the area, and the likely threat levels associated with the deployment.

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

Released under the Official Information Act 1982

Principal Defence Roles

The principal roles of Defence have been refined to recognise changes in the strategic environment and the emphasis of the Government's priorities.

Defence White Paper 2016 wording	Strategic Defence Policy Statement 2018 wording
Defend New Zealand's sovereign territory.	Defend New Zealand's sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication.
Contribute to national resilience and whole of government security objectives.	Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives.
Meet our commitment as an ally of Australia.	Meet New Zealand's commitments to its allies and partners
Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and participate in whole of government efforts to monitor and respond to activity in the Southern Ocean.	Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean.
Contribute to, and where necessary lead, operations in the South Pacific.	Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience.
Make a credible contribution in support of peace and security in the Asia-Pacific region.	Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements.
Protect New Zealand's wider interests by contributing to international peace and security, and the international rule of law.	Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order.
Contribute to the advancement of New Zealand's security partnerships.	Contribute to advancing New Zealand's international relationships.
Participate in whole of government efforts to monitor the strategic environment	Work with other agencies to monitor and understand New Zealand's strategic environment.
Be prepared to respond to sudden shifts in the strategic environment.	Be prepared to respond to sudden shifts in the strategic environment.

New Zealand's Areas of Responsibility

Our areas of responsibility stretch from the South Pole to just below the Equator

Exclusive Economic Zone

~ 4th largest EEZ in the world
 ~ 15 times the area of mainland New Zealand

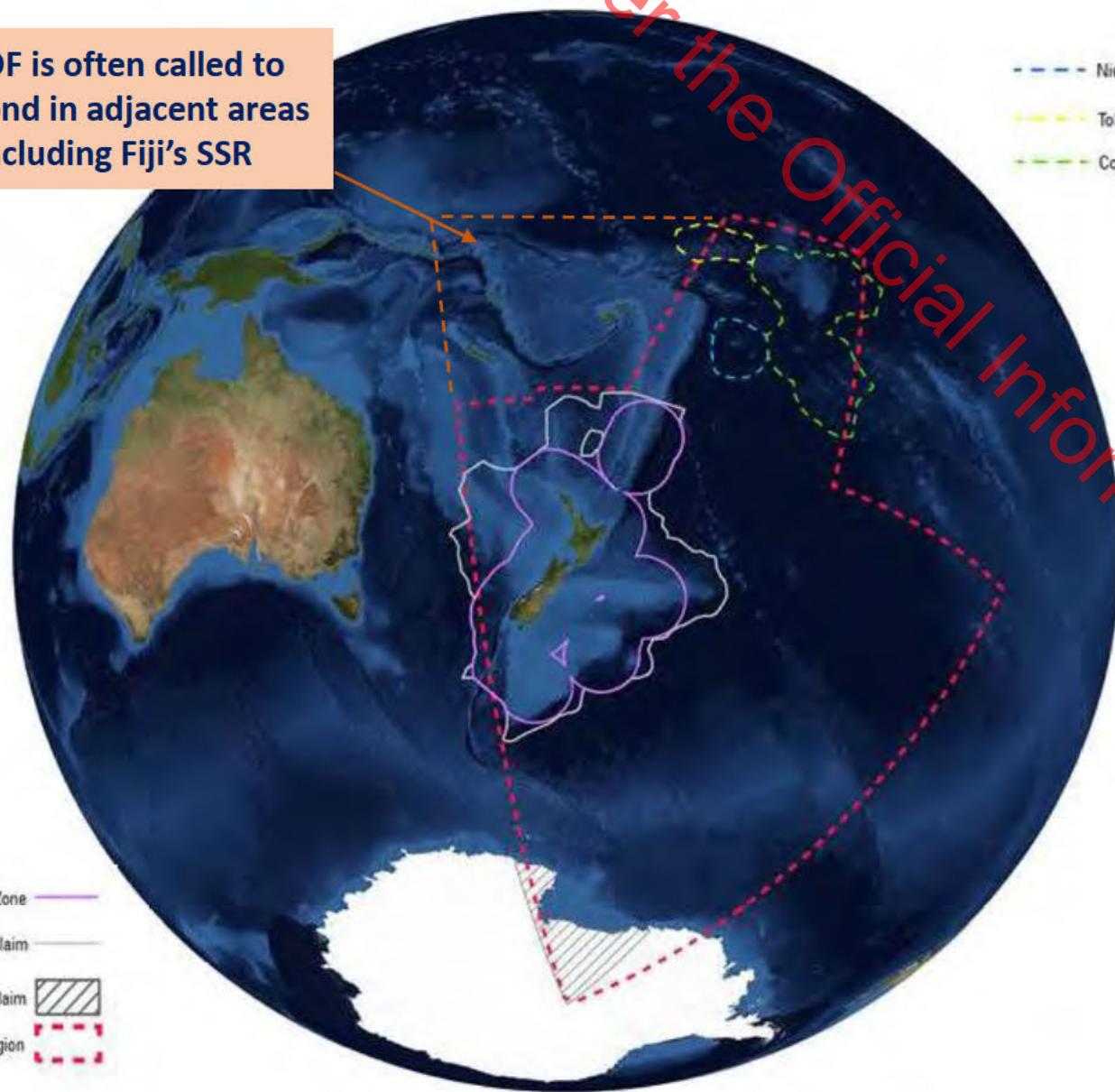
Search and Rescue Region

~ 1/11 of the globe
 If transposed over Europe it covers from the North Pole to North Africa (see map)

New Zealand and Australia's search and rescue regions, taken together, cover ~ 20% of the globe

NZDF is often called to respond in adjacent areas including Fiji's SSR

- - - Niue Exclusive Economic Zone
- - - Tokelau Exclusive Economic Zone
- - - Cook Islands Exclusive Economic Zone



- New Zealand Exclusive Economic Zone — purple line
- New Zealand Extended Continental Shelf Claim — grey line
- New Zealand Antarctic Treaty Claim — hatched box
- New Zealand Search and Rescue Region — red dashed line

Strategic Defence Policy Statement 2018



Released under the Official Information Act 1982

Review purpose and conduct

Review background and purpose

- Early this year, the Minister of Defence directed a review of New Zealand's strategic defence policy settings to **ensure the alignment of Defence policy settings with this Government's foreign policy and national security priorities, and account for New Zealand's changing strategic environment**
- Provide a policy basis for Cabinet consideration of upcoming capability decisions and further work to identify Defence capabilities required to give effect to Government's intentions

Review conduct

- Led by the Ministry of Defence, in close consultation with NZDF, supported by a wide range of agencies including MFAT, DPMC and Treasury
- Minister of Defence provided strategic guidance and led the Review through the Cabinet process
- Review took into account Government priorities on:
 - The importance of delivering value for New Zealand communities
 - New Zealand's responsibilities as a Pacific nation
 - Addressing the impacts of climate change and protecting the natural environment
 - Maintaining the international rules-based order that is crucial to safeguarding and promoting New Zealand's interests and wellbeing
 - The importance of contributing to New Zealand's key security partnerships
- Review process generated a new policy document, the *Strategic Defence Policy Statement 2018*, that was approved by Cabinet



What's new?

The *Strategic Defence Policy Statement 2018* updates New Zealand's Defence policy settings in a range of ways. In particular, it:

- Introduces the **Community, Nation and World framework**, recognising the full scope of the value that Defence provides for New Zealand.
- Features a new set of **principles** to describe Government's fundamental expectations of Defence and provide enduring policy guidance.
- Provides an updated and clear perspective on New Zealand's more **challenging and complex strategic environment**.
- Highlights the work the Defence Force does to support outcomes for a **broad range of agencies across Government**.
- Increases the priority for the Defence Force to be able to operate in the **South Pacific**, to the same level as that for New Zealand's territory, the Southern Ocean and Antarctica.
 - This aligns with the Pacific Reset and reflects the importance of the South Pacific to New Zealand, the challenges the region is facing, and the emphasis this Government has put on working with our Pacific partners.
- Aligns New Zealand's Defence policy settings with our **coalition Government's priorities**, such as addressing the impacts of climate change and protecting the environment and New Zealand's natural resources.
- Underscores the importance of contributing to **New Zealand's key security partnerships** and safeguarding the **international rules-based order**.



Defence policy framework and Defence principles

Defence Outcomes – Defence delivers value for the Community, Nation and World

COMMUNITY



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

NATION



Defence promotes a safe, secure and resilient New Zealand, including on its borders and approaches

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

WORLD



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

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

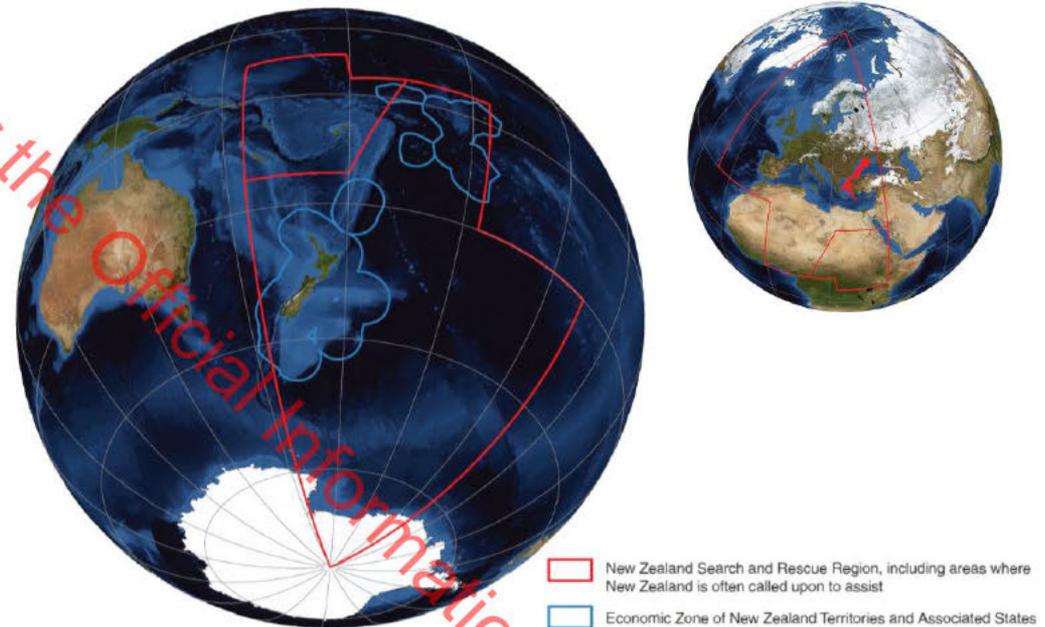
Principles underpinning New Zealand's Defence policy

- Defence is combat capable, flexible and ready
- Defence personnel are highly trained professionals
- Defence has the resources to meet operational and strategic priorities
- Defence operates in ways that maintain public trust and confidence
- Defence embodies and promotes New Zealand's values
- Defence is a credible and trusted international partner



New Zealand's Strategic Environment and its implications

New Zealand is navigating an increasingly complex and dynamic international security environment, and will also face compounding challenges of a scope and magnitude not previously imagined in our neighbourhood



Defence will have to act with new urgency, in new ways, and at new levels to protect New Zealand's interests

- Complexity and disruption at home and in our neighbourhood
- Increasing vulnerabilities and opportunities in cyber and space
- Supporting stability in the Asia-Pacific
- Fortifying key defence partnerships and contributing to the rules-based order

Defence priorities and principal roles

Defence Priorities

- Government's highest priority for the Defence Force is its ability to operate and undertake tasks in New Zealand's territory (including its EEZ) and its neighbourhood, from the South Pole through to the Equator. This encompasses a range of activities, including humanitarian assistance and disaster relief operations in the face of increasingly severe and disruptive weather events, maritime surveillance, and stability and peace support operations. This priority reflects the strategic importance of these areas to New Zealand's national security and foreign policy.
- The Defence Force must be prepared to operate independently – and lead operations – in these areas if required.
- New Zealand's national security and interests nevertheless depend on events further afield. Increasing challenges to Asia-Pacific security in particular, including undermining of the existing regional order, could impact New Zealand's security and prosperity. It is important that New Zealand is able to contribute Defence capabilities in support of Asia-Pacific regional security as well as worldwide, including in the Middle East, in support of the maintenance of the international rules-based order.
- Defence deployments beyond New Zealand's immediate region will most likely continue to be as part of operations led by New Zealand's security partners, or as part of United Nations-mandated operations. Within New Zealand's neighbourhood, such combined operations will be increasingly likely. The Defence Force must be able to operate effectively with New Zealand's key security partners, in particular with our ally Australia and our other Five-Eyes partners. This will have implications for Defence capability choices and for the shape of Defence's international relationships.
- In coming years the Government will face increasing demands for Defence Force contributions to operations both within New Zealand's immediate region and further afield, and across the spectrum of tasks. Government will maintain a high level of discretion as to the size and nature of New Zealand's contributions to such operations outside New Zealand's immediate neighbourhood. Decisions on such operations will consider New Zealand's national security interests, New Zealand's international relationships, and the threats associated with any deployment.

Principal Roles of the Defence Force

- Defend New Zealand's sovereignty and territory, and contribute to protecting New Zealand's critical lines of communication.
- Contribute to national, community and environmental wellbeing and resilience, and whole-of-government security objectives.
- Meet New Zealand's commitments to its allies and partners.
- Support New Zealand's civilian presence in the Ross Dependency of Antarctica, and work with other agencies to monitor and respond to activity in the Southern Ocean.
- Conduct a broad range of operations in the South Pacific, including leading operations when necessary, to protect and promote regional peace, security and resilience.
- Make a credible contribution in support of peace and security in the Asia-Pacific region, including in support of regional security arrangements.
- Protect New Zealand's wider interests by contributing to international peace and security and the international rules-based order.
- Contribute to advancing New Zealand's international relationships.
- Work with other agencies to monitor and understand New Zealand's strategic environment.
- Be prepared to respond to sudden shifts in the strategic environment.

Defence Force Capabilities

Particular challenges the review should examine

- Increasing demands for Defence operations in New Zealand and its neighbourhood. This will present a capacity challenge, in terms of concurrency and sustainment.
- Maintaining interoperability with key partners and military effectiveness in complex threat environments will present a sophistication challenge
- Managing the introduction of replacement capabilities is, and will continue to be, a major focus
- **Three particular capability areas require attention**
 - maritime domain awareness and response, particularly in the neighbourhood but also further afield
 - a Defence contribute to New Zealand's secure access to space-based systems
 - Enhanced Defence cyber capabilities to provide military commanders with a broader set of tools to achieve military objectives

Capability Review in second half of 2018

- The Review of the Defence Capability Plan will ensure that future investments deliver the right military capabilities to the New Zealand Defence Force and represent value for money.
- The review will assess both the investments established in the current Defence Capability Plan as well as possible new investments, and provide a set of recommendations to me and my Ministerial colleagues for consideration.
- The review will establish the planned timing and areas of investments, but all major investments will come to Cabinet for approval and decision on the preferred option.

